

# Struggle for the EEC vote as MPs return

BY JOHN BOURNE, LOBBY EDITOR

TEN DAYS of mounting psychological warfare by the Whips' offices of the Government and Opposition—and also by the pro- and anti-market factions of MPs—begin today with the re-assembly of the House of Commons after the party conferences.

This struggle is not expected to affect the actual result of the Common Market vote on Thursday week, for Opposition leaders as well as Ministers are convinced that Parliament will decide in favour of British entry. However, it will be crucial in determining the size of the Government's majority.

No one at Westminster is yet willing to predict the size of the Government's majority in 10 days' time. At the moment the Tory anti-Marketters claim to have at least 30 MPs who will vote against entry, while Labour's pro-Marketters are claiming that at least 65 of their supporters will go into the Government lobby. If the Liberals and independent MPs split about equally for and against British entry, these figures would give the Government a majority of nearly 90.

But during the next 10 days the arithmetic is bound to change, as the political and moral pressures on both the Tory and Labour rebel MPs increase. The voting strength of both camps will be altered.

The process has already started. Mr. Walter Padley, a dedicated Labour European, is a rebel who has decided to return to the fold and vote with the Opposition against the entry. A number of other Labour pro-Marketters are saying they will now abstain instead of voting with the Government.

The pressures on the fringes of the Labour pro-Market group are considerable, particularly the charge that "by voting for entry you are helping to keep a Tory Government in power."

The leading Labour Europeans, including Mr. Roy Jenkins, are determined to vote with the Government and it is certain that enough of them will be there on October 28, to give a majority for entry.

Mr. Jenkins and other MPs on the Labour front bench are ready to accept the consequences of this for their political careers in the party, but at the moment they are not inclined to resign from their posts. They are more likely to leave their fate in the hands of the Parliamentary Labour Party at the party's election on October 30.

But Mr. Jenkins and his colleagues will not take their final decision on whether to resign until after to-morrow's party meeting. Labour MPs will then formally vote on the "shadow" Cabinet's recommendation that the party should oppose the entry. The vote at this meeting is expected to be closer than at the Labour Party conference, perhaps 7:4 against the pro-Marketters.

Over the week-end, the Tory anti-Marketters gained an important vote—that of Mr. Jasper More, who has resigned as a Government Whip in order to support them on October 28. He is the second junior Minister to resign over the Common Market issue, the other is Mr. Edward Taylor, who left the Scottish Office in the early summer.

On the other hand the Tory rebels like the Labour Europeans, are certain to suffer losses as the pressures mount upon them. Over the last few days two Tory MPs are known to have lost their friends that difficulties with their constituency parties will force them to vote with the Government.

The Prime Minister's speech to the Conservative Party conference on Saturday is bound to add to these pressures over the next few days. The conference, he said, would be remembered for one decisive vote. "You have decided overwhelmingly to accept the Government's recommendation that Britain should become a member of the European Community."

The remark of Mr. Anthony Barber, Chancellor of the Exchequer, on radio last week that the Government would stand or fall by the vote on October 28 will also add to the pressures, although this statement will of course also be used by the Opposition as a weapon against its pro-Market MPs.

The Government's aim is to reduce the number of hard-core Tory rebels to between 15 and 20, and it is also counting on a number of Labour Europeans abstaining. It has by no means ruled out the possibility that with cross-voting and differential abstentions between the two parties, it could achieve not only a majority but a substantial one.

At the same time Mr. Heath, speaking at the Conservative Party Conference, was issuing his warning to the unions about their share of the responsibility for present unemployment and about the danger of pricing themselves out of jobs by demanding money wages far in excess of anything that could be earned from production. A reply is also expected soon to the 12 per cent. claim on behalf of about 1m. manual workers employed by local councils and hospitals.

It remains to be seen what effect this and similar warnings have in the coming negotiations on massive claims like the engineers' 40 per cent. and the even bigger package being demanded by the building workers, estimated by the employers to be the equivalent of a 70 per cent. wage increase. These two claims alone affect some 4m. workers.

Further talks on the building claim are expected this week while engineering companies are at present settling out their views about the response to their employers' federation should make to the unions next month. A reply is also expected soon to the 12 per cent. claim on behalf of about 1m. manual workers employed by local councils and hospitals.

# Pay claims bring new test of policy

BY MICHAEL HAND, LABOUR CORRESPONDENT

THE GOVERNMENT'S campaign to bring down progressively the level of wage settlements is entering another testing period as the autumn pay round gathers momentum this week.

To-morrow a decision is expected on the £100m. claim by 350,000 farm workers who are looking for a £3.20-a-week increase to give them a basic £10 wage for 40 hours. They have argued that there is a £2 gap between their pay and that in other industries.

Supporting their demands this week-end Mr. Vic Feather, TUC general secretary, repeated his charge that it was Government neglect not wage claims which was causing rising unemployment. With another increase expected to be announced this week, Mr. Feather again predicted that 1m. would be out of work by Christmas.

More immediately, unions representing atomic energy manual workers will to-morrow be pressing Sir John Hill, the Atomic Energy Authority's chairman, to improve on its current offer of just over 7 per cent.

This is about the level of settlement the Government wants to see under the present phase of pay strategy, but leaders of the atomic workers have dismissed it as derisory.

Later in the week a special conference of conflict delegates is expected to give the go-ahead for an overtime ban from November 1, and for a ballot to test the miners' views on taking part in a strike if their leaders decide that this is necessary in trying to get a better offer. So far they have been offered, and have rejected, average increases of 7.1 per cent.

A meeting of the three railway unions will also take place in the next few days to discuss new pay claims lodged only five months after the last settlement.

Some welcome news for the Government has been the acceptance by London dockers of a 6 per cent. increase and a 9 per cent. settlement this week-end for BBC weekly-paid staff.

## News Summary

GENERAL BUSINESS

### Another weekend of death in Ulster

Three soldiers, two policemen and a civilian were killed in another week-end of violence in Ulster. Three other policemen were injured.

In Fermanagh a bridge was blown up and two bombs exploded in Londonderry. Despite this, army and police chiefs were increasingly confident of getting on top of the IRA.

### Desperation

Mr. Faulkner was buoyed by Mr. Heath's Conservative Party conference pledge to defeat terrorism. It felt that the new discoveries of arms and arrests of suspects, flowing from improved intelligence, are making the terrorists intensify their attacks in desperation.

### Heath - Wilson meeting on 'brain-washing'

Mr. Heath will meet Mr. Wilson and Mr. Callaghan at No. 10 today at their request on the London Sunday Press report of 'brain-washing' of internees in Northern Ireland to obtain information. The report claims men were subjected to noise which 'drove them out of their minds.' Mr. Faulkner has denied the allegations. The Heath-Wilson-Callaghan meeting will be held under Privy Council rules of secrecy.

### Arms haul a 'coup for intelligence'

The seizure in Holland of four tons of arms destined for the IRA from Prague was being claimed last night as a major success for British intelligence and Scotland Yard's Special Branch. Mr. Faulkner said the haul proved direct link between the IRA and East European Communists. Dutch police yesterday pressed in with a nation-wide hunt for two men and a girl wanted for questioning about the haul. In Dublin, details of new legislation on control explosives was circulated to MPs and Senators.

### Pakistan offers troop pullback

At a meeting with Soviet President Podgorsky during the Iranian celebrations at Persepolis, Pakistan President Yahya Khan offered to withdraw forces from the Indian border if India did the same. Border tension is said to have risen sharply. President Podgorsky also met India's President, V. V. Giri, indicating that Russia is attempting to mediate.

### China in UN: debate opens

Special General Assembly debate on UN membership for Peking begins to-day and is expected to continue for four days. At issue is the U.S. plan for both Peking and Taiwan to be seated and Albania's resolution which would oust the Formosans.

### Bradford fires: man in court

A man will appear before Bradford magistrates to-morrow on charges following the series of fires in immigrant homes. Police have said there was no racial or political motive behind the fires. Mrs. Maniben Parmar, whose three children died in a fire on Thursday, has died in hospital.

### Rhodesia: 'chance of settlement'

Sir Alec Douglas-Home said in a radio interview he thought there was a chance of a settlement between Britain and Rhodesia, but he had not made up his mind yet whether to visit Rhodesia. Page 23

### People and places

Fourteen ore carrier Anatina has been towed to Falmouth after a fire 120 miles off the coasts which killed two crew members, including a stewardess. Britain's ninth nuclear submarine, HMS Courageous, was commissioned at Vickers Barrow Road. Page 2

At least seven people died in unrecorded communal rioting in Nepal after Moslems slaughtered a Hindu sacred cow. The weekly £25,000 premium on prize went to the holder of a 30W 085188 in Dorset. Arnold Palmer won the Lancome tournament by two strokes from Harry Player with a 14 under par. Tony Jacklin was fourth on 12 and Mr. La 15th on 215. Page 3

# OECD considers Nixon's payments target 'unreal'

BY PAUL LEWIS, U.S. EDITOR

THE \$13,000m. improvement in the U.S. balance of payments which President Nixon is seeking in exchange for lifting the import surcharge is unrealistic and would place an intolerable strain on the rest of the industrial world.

Instead the U.S. should aim for a smaller turnaround that would limit its surplus to current account to about half the current surplus of the major industrial countries and leave its overall payments position in balance or small deficit.

In detailed terms this means adjusting world parities and trading rules to give the U.S. a current account surplus of about \$5,000m. instead of the \$8,000m. figure which Mr. John Connally, Treasury Secretary, has asked for.

In this connection he expressed sympathy for West German fears that any further appreciation of the D-Mark might push the economy into recession, and he said the U.S. would shortly make known its detailed terms for ending the import duty. To have seemed "harsh and overbearing," and he had preferred to remain "mysterious."

Never "insisted"

In the second phase the U.S. Treasury Secretary said he had never "insisted" on a \$13,000m. swinground in the U.S. payments position as the price for ending the surcharge. All he was asking was a realignment of parities to give the dollar a fair balance against other currencies.

Finally, despite his scepticism about the chances of an agreement, he pointed out that Ministers of the Ten could meet again in that month or in December once the war was there. And that a settlement would take "only half an hour."

Tough stance

Once again, therefore, the U.S. Treasury Secretary appeared to be mixing roughness with a will to negotiate, just as he did at the IMF Ministerial meeting here last month. There is thus no sign that he is backing away from the compromise in principle he hammered out then by the Ministers of the Ten which would permit the surcharge to be traded against a parity realignment and certain specific trading concessions to the rest of the world, leaving longer-term matters for solution later. Indeed, his offer to lift the surcharge on a selective basis and the hint that Germany might be the next candidate for special treatment go further than anything envisaged in Washington.

The immediate task, however, is to agree on the size of the improvement needed in the U.S. balance of payments, and all the signs here are that the American delegation will begin by taking a fairly tough stance on the main lines of the OECD report, although it is equally clear that the gap between the two positions is not great. But once agreement has been reached on these figures, it will be up to the deputies and Ministers of the Ten to decide how they should be translated into parity terms and the burden of adjustment divided up among the rest of the world.

The OECD report seeks primarily to show that the \$13,000m. swinground which the U.S. asked for at the London Group of Ten meeting two months ago would place an unreasonable burden on the rest of the world, forcing most other countries to give up any prospect of a payments surplus and sometimes to accept a deficit. The U.S. figure is calculated on the assumption that the current account is now running at a \$5,000m. deficit on full employment terms, and that this should be converted to a surplus of \$8,000m. to cover capital outflows of \$6,000m. and allow an annual increase in reserves of \$2,000m.

However, the secretariat points out that the collective surplus of the world as a whole is running at between \$10,000m. and \$11,000m. a year and that if the U.S. took \$8,000m. of this only \$2,000m. would be left to spread around among the other major industrial countries of Europe and Asia.

But historically the U.S. has only accounted for about half the area's surplus when its payments position was stronger, and the report recommends that this should remain the target for the future.

On this basis the U.S. might hope to achieve a sufficient trading advantage from the rest of the world to permit it to run a current account surplus of between \$5,000m. and \$6,000m., which would more or less match its current estimate of capital outflows. The desirable level

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# Hint of U.S.-Bonn surcharge deal

BY MALCOLM RUTHERFORD

AGREEMENT in principle to exempt West Germany from the 10 per cent. import surcharge introduced last August is said to have been reached by Mr. John Connally, the U.S. Secretary of the Treasury, and Prof. Karl Schiller, the West German Economics and Finance Minister, during the annual meeting of the International Monetary Fund in Washington two weeks ago.

The well-placed economic sources in Bonn who disclosed the agreement were reacting to a week-end public statement by Mr. Connally which praised the Germans for allowing the D-Mark to float to a realistic exchange rate against the dollar and said that, as a result, the U.S. was ready to consider a lifting of the surcharge as applied to West Germany.

No date given

But this disclosure was accompanied by a refusal to state when the abolition would come into effect, or to say whether or not it would be a phased process involving the gradual reduction of

the surcharge on selected categories of goods. It was admitted that the West German-American agreement, and its apparently deliberate disclosure, could be seen as an attempt to compel other countries (notably France) to allow their currencies to float more freely and therefore move to a higher revaluation rate against the dollar.

There are still, moreover, oddities in the story. Professor Schiller is understood not to have revealed the agreement to a meeting of the German Cabinet last week, at which he came under criticism because his monetary policies were said to be disturbing Germany's foreign relations, especially with France.

Secondly, since the agreement the floating of the D-Mark has become much less "clean." The Bundesbank has been intervening quite heavily, and after last Wednesday's cut in discount rate the revaluation premium came down on Friday to 9.7 per cent. Foreign exchange dealers were predicting it would fall further in the next few days.

Two main factors are said to have determined the conclusion of the agreement in Washington.

1—Mr. Connally was impressed by the way the Germans have allowed the D-Mark to find its natural exchange rate against the dollar, and more or less refrained from the introduction of exchange controls and official intervention on the market. (The D-Mark has at times floated to 11 per cent. above its dollar parity.)

2—Mr. Connally was convinced by Prof. Schiller that the German economy was now in such serious danger of recession that it could not bear a revaluation rate any higher. It was agreed that a German recession would be in the interests of no-one, either politically or economically.

A third factor is said to have been the extraordinarily close personal rapport struck up between the two men.

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With THE maturity born of experience, or the stultifying caution of advancing years— whichever way you care to look— at it—Arnold Palmer pitched to the middle of the last green well away from the pin and the cold St. Louis Cardinals' St. Louis-Bretche this evening, leaving the water well alone.

This guaranteed him his par and guarded a two-stroke advantage over Gary Player and won him the 1960 U.S. Open by a margin of two that two-shot margin.

A few years ago Palmer would have gambled on pitching directly at the hole placed no more than 15 feet beyond the pond that threatens the left-hand side of the green, as he asserted later.

But he did not. He pitched to Puerto Rican Juan "Chi-Chi" Rodriguez second so, and holed his 73 yards second shot with his sand wedge to deprive Tony Jacklin, Palmer's partner at the back of the field, of third place.

Jacklin all but holed his own pitch here, knowing he needed a birdie to tie Rodriguez. But unfortunately the four foot putt he then had to face horseshoed and the role and came back at "Chi-Chi."

So Palmer's rounds of 66, 65 and 71 for a 14-under-par total of \$202 won him \$20,000. Player's scores of 68, 66 and 70 for a total of \$124 netted him a mere \$2,000, a very poor reward for his determined efforts in hunting down Palmer to the last stroke.

All the rest picked up \$1,000 apiece, the prize distribution for a money race to encounter.

Jacklin had rounds of 68, 71, 71 and 69 for 211, Jacklin 63, 72, 68 and 73 for 212, Mr. Lu (Formosa) finished fifth on 215, Jean Larraalde (France) and Roberto del Vicenzo (Argentina) joint sixth on 218. Spain's Ramon Sotomayor finished last on 220.

With three-stroke lead over Jacklin and a 15-foot putt to go in the overnight there was only academic interest in the battle between the great 42-year-old American and his tiny rival from South Africa, who so bravely won

the Piccadilly event last week.

Player told me last night that he thought he could catch Palmer, but the day, and the weather it produced, virtually put paid to his hopes.

Palmer was cold, windy and very wet, and, as Palmer said later so truly, all he had to do was to match par to put his courageous rival under intolerable pressure. And this was how it worked out.

Palmer was the first to commit a danger for Palmer, and apart from them he played almost flawlessly. He took six at the long fifth hole and another half-dozen at the drive and wedge 15th. At the former Palmer pulled his club back and the tree came up short around them with a four iron, wedged over the green, and chipped back short.

The second six was far more destructive, since it cut his lead to three strokes with three holes to play.

The danger for Palmer at this hole lay in the unfortunate position his ball found at the back edge of the deepish bunker behind the green. The ball was sitting up on a small hump of sand, and the tree was expected to knock it down, and the ball could have gone anywhere.

Characteristically, Palmer tried to cut it up, and in opening the face cut underneath the ball completely, moving it forward only two feet. Now he came out long down the slope and missed the putt back.

But he demonstrated his lack of worry by striking a glorious six iron shot that never left the stick to the 16th green, the ball peeling over the feet past the hole.

Alas, Palmer missed for the second time, and was badly bunkered to the right of the 17th green, where Player had just hit the hole for an eagle.

Palmer could do no better than escape with a par, but his drive round the corner of the hill and his way down the hill at the 18th and 19th hole that left him but a flick away from a master stroke, and comprehensively slammed the door in Player's face.

Similarly when Palmer had taken six at the fifth hole he had immediately hit back with two masterly birdies, and then missed from two feet for a third on the eighth green.

Jacklin started full of determination to catch Palmer at least, and he told me he even felt he had a chance of catching Palmer when he grabbed a magnificent eagle to Palmer's six at the fifth hole. He then fired in a wonderful three-iron shot four feet from the hole.

But our man suffered one of the cruellest strokes of fortune at the long, par five seventh hole, when a glorious second shot with three wood through the green.

He was left with a tricky downhill chip with plenty of green to work at, but unfortunately for him the ball moved as he addressed it, and he immediately missed. Palmer, so called, a penalty shot upon himself.

So he had to be content with a par to Palmer's birdie, and there was little chance of catching Player, who remained six shots ahead as they turned for home for the last time.

Palmer holed from six yards on the 10th green to go 15 under and, pitched absolutely stone dead at the 14th, where his ball touched the hole and stayed but six inches away.

This meant that at this stage Palmer was five shots clear of Player before his disaster overtook him. But Player told me afterwards that the damage to him was done at the five holes before the turn.

One each his ball hit the hole for three birdies and two eagles, and on each occasion it stayed out only saw the one miss at the ninth.

Here the little South African missed the green long and left from the tee. He paced out the distance from the hole, brushed the water away on the surface where he intended his ball to land, pitched it at that exact spot, and threw up his arms in triumph as his ball hit the hole. The hole a shade too firmly and stayed out.





## Emergency meeting of Japanese textile men

TOKYO, Oct. 17.

JAPANESE textile industry leaders met in emergency session yesterday to intensify opposition to the newly signed U.S.-Japan agreement curbing textile exports to the American market, informed sources said. The industry has already warned that the three-year agreement, signed in Tokyo on Friday, will result in hundreds of thousands of workers losing their jobs and many companies going bankrupt.

The Government's stand is that the alternative—American mandatory import quotas on all textile imports unless Japan signed by the Friday deadline—would have been even more disastrous.

The Japan Textile Federation has issued a statement promising continued bitter opposition to the governmental pact, and its leaders have plotted further counter-measures. No details were made public, but the most likely step is an administrative lawsuit in a district court seeking to bar the Government from going ahead with export controls.

By requiring official approval for all textile exports the Government can control the flow of the American market. Industry sources said many lawyers believed this was contrary to the constitution guaranteeing every citizen a reasonable living.

Textile workers in the Parliamentary constituency of International Trade and Industry Minister Kakuei Tanaka—who signed the agreement—announced their intention of campaigning against the Minister's re-election.

Tanaka told officials of the ruling Liberal Democratic party that the alternative to the textile agreement would have been a rapid deterioration into great confusion in U.S.-Japan economic relations.

A 41-year-old wholesaler of woollen goods hanged himself in a warehouse—apparently because of the U.S.-Japan agreement to limit Japan's textile exports to America, police said in Tokyo. The wholesaler, Masao Imada, committed suicide in the warehouse next to his home in central Japan on Saturday night, only an hour after he discussed the agreement with business friends.

Reuter

**Hong Kong—pact signed under duress**

HONG KONG, Oct. 17. HONG KONG has reacted angrily to the bilateral textile agreement aimed at limiting its exports to the U.S. signed in Washington over the week-end.

Mr. C. P. Haddon Cave, the colony's Financial Secretary said here today. "The agreement was signed under duress, against an artificial time limit and it is highly unsatisfactory than we expected."

Although details will not be officially available here until Tuesday when the agreement is presented to the Governor in Council, it is understood that it provides for an annual growth rate of 7½ per cent. in exports of man-made fibres and 1 per cent. for wool on the basis of the year which ended last March. Since it is to become effective from October 1 it could mean an immediate cutback on current performance of 25 per cent.

The lifting by the U.S. of the 10 per cent. import surcharge on wool is also to apply to Hong Kong.

Editorial comment Page 10

**Broad outline**

The main items on the agenda for the Foreign Ministers are arrangements to be made with the Six members of EFTA who have not asked for full membership of the Community, the negotiation of an association agreement with Algeria, and relations with the U.S.

The broad outlines of the arrangement to be offered to the non-candidate EFTA countries, based on industrial free trade, have already been agreed. Tomorrow the Ministers will be

# Yahya offers to withdraw troops from Indian border

KARACHI, Oct. 17.

PRESIDENT Yahya Khan of Pakistan has proposed the withdrawal of forces from the Indo-Pakistan borders, the official Associated Press of Pakistan reported here. The President offered to withdraw Pakistan forces from present defensive positions along the borders if India withdrew her forces, ceases infiltration and other hostile acts, the agency said.

President Yahya's proposal was made at a meeting with Soviet President Nikolai Podgorny in Persepolis, during the 25th anniversary celebrations marking the founding of the Persian empire.

[In Tehran informed sources said the Soviet Union may be attempting to mediate between India and Pakistan over the problem of East Pakistan. The sources noted that President Nikolai Podgorny met both President V. V. Giri of India and President Yahya Khan of Pakistan when they were in Persepolis. They believed the Soviet leader was pursuing a policy of mediation between New Delhi and Islamabad.]

The Pakistan agency story, dated last night after President Yahya flew back from Tehran, said: "President Yahya told President Podgorny that if Indian professions of peace were genuine, they should withdraw their armed forces from the borders of Pakistan, cease infiltration and other hostile acts and that Pakistan on its part would also withdraw its armed forces from present defensive positions along the borders."

**Growing tension**

Our New Delhi Correspondent writes: Tension between India and Pakistan has risen sharply in the last few days, and following heavy troop concentrations on both eastern and western borders, relations have reached the stage where a slight spark might trigger off serious hostilities.

Though Indo-Pakistan relations have worsened since the outbreak of civil war in East Bengal and the resulting influx of nearly 10m. refugees, it is only in the last three days that Indian Government leaders have spoken ominously of war. An indication of the seriousness of the situation is official orders that the crisis timetable of work is to be followed in all armed forces and Government offices.

Meetings of the political affairs committee, which is headed by the Prime Minister, and the cabinet have been held in the last few days to review the situation and it has been officially stated that India's armed forces have been alerted to prepare for Pakistani attack.

The Defence Minister Jagjivan Ram yesterday gave his senior Cabinet colleagues an account of the trip to the Central Committee of the Arab Socialist Union in Cairo yesterday. Mr. Sadat said that one of the purposes of his talks in Damascus was to "eliminate sensitivity" between the two countries. He did not elaborate, but informed sources are inclined to consider this as an allusion to the Egyptian military forces and fighter planes on Syrian territory.

President Sadat explained that Syria and Egypt, which form the tripartite federation with Libya, are one military front. The Cairo news today said General Abdel Sadek as the commander of the Syrian-Egyptian front.

Emphasis on the need for Arab military mobilisation and on stronger Arab-Soviet relations appear to be the immediate aftermath of President Sadat's Moscow visit.

**Servan-Schreiber elected leader of Radical Party**

PARIS, Oct. 17.

THE FRENCH journalist-politician Jean-Jacques Servan-Schreiber today defeated former Minister Maurice Fauré for the presidency of France's once-powerful Radical Socialist Party.

M. Servan-Schreiber, who runs the news magazine L'Express and is a member of parliament, received 431 votes to M. Fauré's 267 at the party's annual congress in suburban Suresnes.

M. Fauré was the party's president until today's election and has been the party's leader for most of the time since 1961.

M. Servan-Schreiber said after today's election that the Radical Socialists under his leadership would "go into unceasing action in order to deliver us from a state system which is made up of oppression, injustice and suffering."

He repeated his recent calls for the creation of a reformist movement to oppose the ruling Gaullists.

M. Servan-Schreiber, who has been secretary-general of the party, said this morning before the vote that if elected he would send letters to the Communist and Socialist parties, opposition centrists and even some left-wing Gaullists proposing talks for the setting up of such a movement.

M. Servan-Schreiber said that this new reformist movement would present candidates for all the 457 parliamentary seats in the 1973 legislative elections.

Reuter

**French uranium contract**

PARIS, Oct. 17.

THE French State electricity authority Electricité de France, has awarded the contract for the second in its planned series of enriched uranium power stations to the Creusot-Loire group. French licensee is the Westinghouse pressurised water reactor system.

The decision took many observers here by surprise. Creusot-Loire is already working on the first station in the series, to be built at Fessenheim, in Alsace. A contract for a year ago. It was hinted then, and widely believed up to the announcement, that the EDF and the French Government were anxious to avoid dependence on a single contractor and thus the

second station, to be built at Bugey, near Lyon, would go to the rival General Electric boiling water reacting system, whose French licensee is Compagnie Generale d'Electricité.

However, the EDF has put off its choice of an alternative to the Westinghouse PWR system until next year, when it must commission at least one more station in a series designed to provide generating capacity of some 5m. kW during the course of the Sixth Plan. By that time, as the communiqué makes clear, CGE and Creusot-Loire will have to contend with a third competitor, the Babcock and Wilcox PWR method, which had not been tendered for the Bugey contract.

## Kosygin leaves for 8-day visit to Canada

By Our Own Correspondent

OTTAWA, Oct. 17.

THE CANADIAN Government is hopeful that the eight-day visit of the Soviet Premier Alexei Kosygin will result in increased sales of Canadian manufactured goods in the Soviet Union. The Government plans to show Mr. Kosygin examples of Canada's plant and harbour facilities.

Ways to increase trade will be the prime topic on the agenda of two major discussions between Mr. Trudeau and Mr. Kosygin, according to Government officials. The visit which begins today will take Mr. Kosygin to five Canadian cities, Ottawa, Montreal, Vancouver, Edmonton and Toronto.

Altering Canada's trade patterns to reduce reliance on the U.S. has been an often stated goal of Canadian Governments even before the surcharge era. The Soviet bloc countries, especially the Soviet Union, have been considered potentially valuable trading partners.

Last January Industry, Trade and Commerce Minister Jean-Luc Pepin led a delegation to the Soviet Union where he signed an agreement on sharing the industrial applications of science and technology. Since then there have been exchanges of visits between Soviet and Canadian groups under the agreement.

When Prime Minister Pierre Trudeau visited the Soviet Union in May he spent much of his time discussing ways of increasing trade.

**Added importance**

Mr. Kosygin's visit is also part of Canada's general effort to improve contacts with Communist countries. Mr. Trudeau has made a major effort since he became Prime Minister to "regularise" relations with Communist countries.

The visit of Mr. Kosygin and later the visit of the Yugoslavian President Tito are part of this effort.

But the visit is being given added political importance because it comes at a time when serious differences between Canada and the U.S. have been revealed following the imposition of the U.S. 10 per cent. import surcharge.

Suggestions in Canada that the visit is part of a general Trudeau anti-American attitude have been rejected by Government officials but it may affect Mr. Trudeau's popularity among the people of Canada and leaders of the U.S.

# Dozen votes in balance as UN-China debate opens

BY OUR OWN CORRESPONDENT

NEW YORK, Oct. 17.

THE UN General Assembly begins its crucial debate on China today. That vote could decide whether Peking will come in this year, because it is considered highly unlikely that there would be a two-thirds majority for Taiwan's exclusion, plenary assembly voted last month to give priority to the Albanian item and rejected the U.S. effort to merge it with its own mildly worded item on the representation of China.

There is nothing in the rules of the assembly which bar the American action, which became inevitable when the steering committee and plenary assembly voted last month to give priority to the Albanian item and rejected the U.S. effort to merge it with its own mildly worded item on the representation of China.

One estimate in the Albanian camp is that the vote could be a 59-58 tie, with 13 abstentions. This would mean defeat for the "I.Q." proposal. But the Americans scoff at the idea and talk privately of receiving up to 65 votes, which would certainly carry them through.

Never before in the long history of the bitterly contested Chinese representation issue have there been so many different possibilities for procedural manoeuvre by both sides.

According to one authority there could be as many as 30 roll-call votes before the question is decided, though there are present only three resolutions: the two drafts submitted by the Maldives Islands, U.S. and a group of sponsors which, though a UN member has the Philippines, Colombia and several small countries, and the Albanian proposal (co-sponsored by Algeria and Pakistan, among others) to "restore the lawful rights of the People's Republic of China" and expel "the Chiang Kai-shek clique."

It is possible that there could be a first test to-morrow if some diplomats have suggested privately, Albania decides to challenge the propriety of the U.S. action in submitting its resolutions under the heading of representation will be approved.

It is the procedural resolution, the "I.Q." draft, so-called because the U.N. charter says any matter declared to be an "important question" is subject to a two-thirds majority vote.

**Priority**

It is likely, but not certain, that priority would be granted. It is unlikely that those members favouring priority would all vote also for the "I.Q." resolution. If this were defeated, the Assembly would presumably go on to a roll-call on the Albanian draft. This would certainly receive a simple majority—as it did last year, for the first time—and Peking would be invited to take its seat in all UN bodies (including the Security Council, the clear aim of these drafts is with the right of veto).

**OECD reviews Portuguese economy**

BY ROBERT MAUTHNER

PARIS, Oct. 17.

IN its latest survey of the Portuguese economy, due to be published to-morrow, the Organisation for Economic Co-operation and Development (OECD) praises Portugal for at last putting the main emphasis on economic development instead of on financial stability, as in the past.

For many years now the OECD has been stressing that Portugal's healthy balance of payments and reserves position provided ample scope for dynamic development policies and has advocated the use of national savings for domestic investment rather than for swelling the official reserves and private financial assets abroad. This aim has now been formally espoused by the Portuguese Government in its relatively expansionary budget for 1971.

The OECD secretariat nevertheless issues a warning that it might be difficult to reconcile the objectives of growth and price stability. It points out that, in contrast to the past, price increases have become substantial recently and that there are no signs of any deceleration of this trend. Cost factors have clearly been the main reason for these price rises, since demand was anything but excessive during the past year. Wage increases have recently accelerated as the result of growing strains on the labour market caused by a continuing high rate of emigration of workers.

In this context, the OECD secretariat implicitly criticises the complexity of administrative controls which still tie the hands of Portuguese industry and emphasises that the use of more general policy instruments with indirect effects are much more suited to a modern industrial society.

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## Busy week ahead for EEC ministers

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Oct. 17.

THE COMMON MARKET starts a heavy schedule of ministerial sessions in Luxembourg this week with a meeting of the Six Foreign Ministers to-morrow afternoon.

The Foreign Ministers will continue their discussions on Tuesday when there will also be ministerial sessions of the entry negotiations with Ireland and Norway, and a council meeting of the Six's Ministers of Social Affairs. Ministers responsible for regional policy will hold a separate council meeting the day after.

**Broad outline**

The main items on the agenda for the Foreign Ministers are arrangements to be made with the Six members of EFTA who have not asked for full membership of the Community, the negotiation of an association agreement with Algeria, and relations with the U.S.

The broad outlines of the arrangement to be offered to the non-candidate EFTA countries, based on industrial free trade, have already been agreed. Tomorrow the Ministers will be

concentrating on the main points of detail on which there is not yet agreement among the Six—how far agricultural products should be included, and the treatment of sensitive industrial products.

But although considerable progress could be made by the Ministers, they are not expected to be in a position to establish a definite negotiating mandate for the talks with the Six EFTA countries this week. This is now expected to be finalised at the next Council meeting on November 8.

The same goes for the negotiating mandate for the talks with Algeria. The Six are all agreed that negotiations should start quickly, and that in a first phase of the agreement Algeria should be granted commercial treatment similar to that already negotiated with Morocco and Tunisia.

But difficulties remain to be ironed out. These include the nature of the second phase of the association agreement (how far commitments should now be made on provisions for the movement of labour, and technical and financial aid, for instance), arrangements for Algeria's wine and petroleum exports, and the concessions to be requested from Algeria in return.

With regard to the U.S. economic measures, the Ministers will hear an oral report from the Commission. As two members of the Commission, Dr. Dahrendorf and Dr. Mansholt will be in Washington next week for top-level discussions, they will want to know the latest views of the member governments on the economic and monetary crisis.

The Ministers of Social Affairs will be discussing how to put into effect the principles for the reform of the Community's social fund, agreed earlier this year, and how much money should be allocated to it. They will also be filling in details of the types of operation that should qualify for financial aid.

The Ministers of Regional Affairs will also be talking about the financial aspects of a common policy—how existing Community funds can best be channelled to agricultural areas where the need for development is greatest, and how new funds can be raised. The target is to allocate \$100m. in aids to the "priority" areas, on the basis of grants of \$1,500 for each new job created.

**Tariff quotas**

The Brussels Commission meanwhile is proposing the extension of Community tariff quotas on imports of four raw materials in short supply in the Common Market. The first product in demand is newspaper, for which the Commission is proposing a 1m. tariff quota for an extra 16,000 tons of imports between now and the end of the year, of which 14,000 tons will go to France.

Other products include ferro-silicon, for which an extra tariff quota of 22,000 tons at 7 per cent. is proposed, mainly for the Benelux countries, and 26,000 tons of ferro-silico-manganese at 4 per cent., mainly destined for West Germany. Finally the Commission is proposing an additional tariff quota of 6 per cent. for 250 tons of refined ferro-chrome.

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# will hit BOAC

BOAC flights could be hit by long delays this week as a direct result of a dispute with their pilots, who are dissatisfied with the airlines flying schedules.

The pilots—members of the British Airline Pilots Association (BALPA)—met officials from BOAC's management at the Department of Trade and Industry last week, in a bid to resolve the dispute in which pilots are required by the union to take a 36-hour rest period with two nights off after a long journey.

BOAC estimates that if the pilots work to the unions' directive, about 10 per cent of their flights could be delayed for indefinite periods.

## Example

BALPA quote as an example a schedule for a pilot leaving London on Saturday and flying from Heathrow to Bermuda, Bermuda to New York, New York to Jamaica, Jamaica to New York and back to London again via Bermuda.

This route would bring the pilot back to Britain the following Friday. This, the airline union says, is one example of excessive working hours.

BOAC have told the rest of its staff that the union is seeking unilaterally to impose schedule limitations upon the airline that, first, disregard the recommendations from the DTI that the union itself sought. And secondly, are in conflict with the pilots agreement service.

## FARMERS SEEK HIGHER RENTS

Farmers are to seek higher rents from farm workers for their cottages. They also want a higher rate for the cheap milk which some farm workers, mostly women on dairy farms, get as part payment of wages.

The proposals will come up at to-morrow's meeting in London of the Agricultural Wages Board of England and Wales, when the workers' claim for a rise of £2.20 to a new basic rate of £18 for a 40-hour week will be considered.

## Third batch

Machine tool company Herbert Ingersoll, of Daventry, Northants, is to make about 100 employees redundant in the near future, the third batch of dismissals this year.

# U.K. on verge of period of massive growth—Heath

FINANCIAL TIMES REPORTER

BRITAIN was standing "on the threshold of a period of growth and prosperity unparalleled since the war," Mr. Heath told a Conservative Party rally at the end of conference week at Brighton on Saturday.

In his 48-minute speech to 4,000 Conservatives he concentrated on his vision of a new world and the major role that Britain had to play in it.

This Government had already done more than any before to get the economy moving and unemployment reduced, he said. Industry had shown that it would make its contribution by restraining price increases.

## Moderation

"Now it only needs moderation and responsibility on the part of the unions, when presenting the next round of claims, all together to complete a victory over inflation and unemployment," he declared.

"I say this to the unions and their members: 'Higher real wages are there for the asking. It is for you in the unions to decide. If you continue to demand wage increases in money wages far in excess of anything that can be earned from production you will continue to price yourselves and others out of the market.'

"We are standing now on the threshold of a period of growth and prosperity unparalleled since the war. We have a chance to beat the rest of the world at their own game—high production, low prices and high wages.

"Now it is up to all of us—management, men and government together—to seize this opportunity.

"We must deal with the immediate economic problems and particularly unemployment, but we must do so in the context of the future. We are not going to be accused of neglecting the future in order only to remedy the present. For that way we know lies frustration."

When 18 months were passed,

"we shall have a single system of personal taxation, a fairer system of company taxation and a simple tax on spending."

British industry had learned to live with frustration with an out-moded system of industrial relations. That field had been put right.

"The people were being given a choice and a chance. 'Now is the time to give our people a chance to find and keep jobs based on expanding markets. So let us make use of the action we are taking, the urgent action we have taken to tackle prices and jobs as a springboard for greater responsibility for management and the unions to produce greater economic strength.'

"The Government were determined to get their priorities straight. They had changed the education priorities because they believed it was more important for every child to go to a decent primary school than to subsidise school milk and meals regardless of need."

"We have asked people to pay more for prescriptions because it has helped us to spend more in clearing up old hospitals and bringing better standards of care to the old and the mentally ill."

As a result of the deep-seated problems which the United States faced at home and abroad, "rough winds" were already blowing to blow across the world of trade and finance.

"I must tell you plainly that if in this changed world we were going to be forced to stand alone then the prospects for the jobs and livelihood of our people would be bleak indeed."

He went on: "By associating ourselves now we can work together to protect effectively our own interests and theirs in a way not possible were we to remain alone."

there are show that they do not understand the real nature of the problem.

"But I do not agree with those whose only reaction to present events in Ireland is one of despair."

He believed people now saw more clearly the underlying reasons for the efforts we were called on to make.

"They realise if our troops were withdrawn, if our efforts relaxed, we would be condemning not only Northern Ireland but the whole of Ireland to civil war on a scale far beyond anything we have seen elsewhere in recent years."

He added: "If the gunmen believe that they can bully this Government or this people into abandoning the efforts which we have undertaken, then that is the greatest miscalculation of all."

## Clarify fishing limits policy, Rippon asked

MR GEOFFREY RIPPON, Britain's chief Common Market negotiator, has been asked to clarify the state of talks on fishing limits in the Market negotiations.

Mr. Rippon, Labour MP for Edinburgh East, has asked for a statement to be made before the Market debate in the Commons.

Mr. Strang says in his letter to Mr. Rippon: "The decisive vote on British entry is to take place without a single concession having been made to our fishermen."

"Parliament is being asked to vote for a fisheries policy which does not exist. Yet total acceptance of the Common Fisheries Policy is as much a condition of entry as are all the other Community policies."

## EEC will hit regions—MP

BRITAIN'S membership of the Common Market would hamper new jobs for the regions, Mr. Eric Varley, Opposition spokesman on the regions, said in his constituency, Chesterfield, Derbyshire, last night.

"This is because of the Common Market rules and also because the very fact of British membership of the EEC would tilt the centre of gravity away from the regions and towards the South East," he said.

Mr. Varley said unemployment had to be tackled now, by bringing back investment grants, reviving the Regional Employment Premium, and introducing a realistic regional strategy.

## Place reserved

History had reserved a place for us in such a world, declared Mr. Heath.

For the first time in a long time, Britain's voice was being heard in the world again. "Not as plaintive whispers in the corridors of power, but as a voice that speaks what it knows."

He declared: "That is why Europe wants us. That is why Europe needs us."

Despite change and perhaps because of it, the new world needed us as never before.

Earlier in a reference to Northern Ireland, Mr. Heath said: "It is right for me to warn the nation that the effort required of all of us in Northern Ireland is going to be strenuous and determined."

"There are no quick and easy answers. Those who claim that

## SHIFT-WORKING AT JOHN PLAYER'S NEW FACTORY

More than 4,000 employees of John Player and Sons' tobacco factories at Nottingham have taken part in a ballot to decide the most acceptable shift working hours at the company's new £8m. Horizon factory at Lenton, Nottingham, due to go into production early next year.

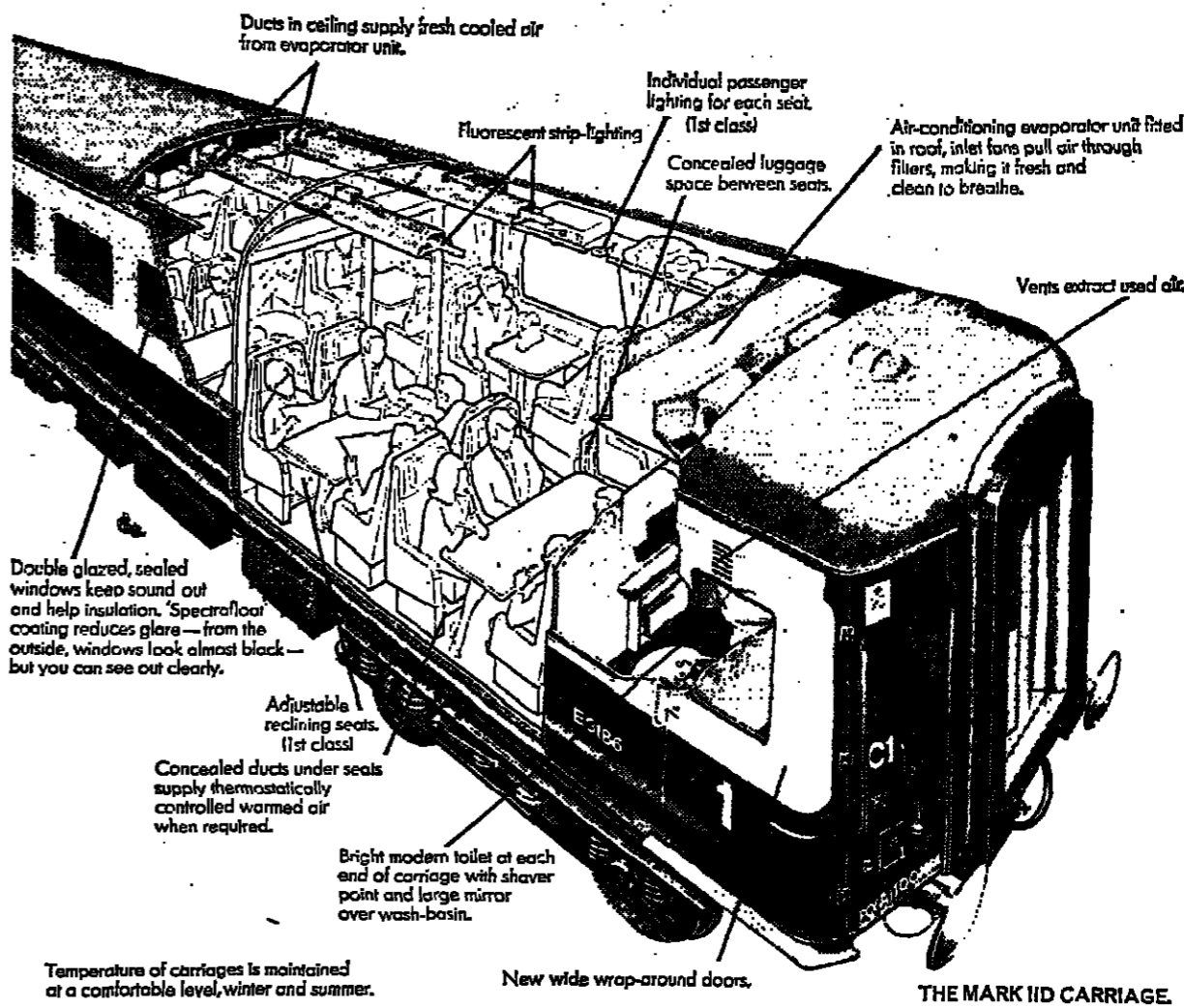
Given four options, employees have voted by an overwhelming majority to work a 35-hour week for morning and afternoon shifts. The morning shift will work Monday to Friday, 7 a.m. to 2 p.m. and the afternoon shift Monday and Thursday, 2 p.m. to 9.30 p.m. and Friday 2 p.m. to 7 p.m.

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Salient points from the circulated statement by the Chairman, MR. G. L. CLOKE, for the year to 31st March, 1971:

- I am glad to report some improvement in your Company's affairs for this period, particularly in the field of Building, despite the continuing advances in the costs of our raw materials and services.
- This situation has produced an increased profit for the year of £21,450 as against the previous year of £18,360.
- Your Board of Directors are of the opinion that a cautious dividend in dividend should be undertaken bearing in mind the improved climate prevailing in the building industry at the present time. It is therefore recommended that a dividend of 11% be paid against 10% last year. This will result in a slight improvement in our Profit and Loss Account to £72,633 thus maintaining the healthy financial position that your Company enjoys.
- The Company's prospects are very difficult to assess in this extremely turbulent business world in which we operate but your Board find satisfaction in being once again able to report an improvement in your Company's affairs.



# Air-conditioned Inter-City. Now five trains a day to Newcastle and back—and one goes on to Edinburgh.

There are now two additional air-conditioned trains a day in each direction between London and Newcastle, one of which serves Edinburgh as well.

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		arr. Darlington		1043	1430	1733	2058		
		arr. Durham			1454		2118		
		arr. Newcastle		1120	1515	1815	2140		
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		dep. Durham			0825		1333		
		dep. Darlington			0812		1401		
		dep. York			0934		1422		
		dep. Doncaster			1011		1519		
		dep. Grantham					1603		
		arr. Peterborough					1651		
		arr. King's Cross		1111	1330	1545	1749		

Eight more Scottish and East Coast mainline services will be introduced in November, 1971. Many Yorkshire services are also air-conditioned now.

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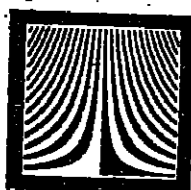
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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHUETERS

## SAFETY AND SECURITY

### Detects fires and felons

AN EXTREMELY useful service to companies and organisations using fire detection and intruder alarm equipment to guard installations and stores is to be provided by AFA-Minerva's residential training centre at Chalfont Lodge, Chalfont St. Peter, Bucks. Here, the company's own personnel are given regular training courses and the centre has the largest working display of security equipment in Britain.

Meanwhile, the company has launched several new detection or protection systems, one of which is known as Firefinder and is claimed by the developer—Minerva Fire Defence (EMI)—to be the first produced to the stringent BS 3115.

It will cater for from six to 20 detector zones and differing working voltages for any detector in the company's range.

When a fire is detected, an illuminated panel display singles out the zone. Alarms at the panel and outside the building alert staff and a direct line to the fire station warns the fire brigade.

New designs of fire detector operating on the recognition of the presence of combustion gases

work from 24 volt supplies instead of the 220 volts needed by existing company units. One of them, the F8, has been developed specifically to resist dust accumulation which can eventually affect the operation of ionisation detectors. The other is a small, low-cost unit which can be installed unobtrusively into most doors.

On the burglary protection side, AFA-Minerva itself has developed a compact microwave detector, no bigger than a man's fist.

Using a Gunn diode, it has a forward throw and operates on radar principles to detect movement in the area protected.

Draughts and temperature changes have no effect on it and a built-in test light gives users an "immediate" indication of whether or not the equipment is functioning properly.

Where a user requires protection over a comparatively limited area, the equipment is about the most economical that could be specified. Where more advanced means of detection is required over a much larger area, comprising a number of sensitive

centres, the company specifies its new T type Multiway which can cope with a series of open and closed detectors working on the same alarm circuit.

The system has its own power supply and charger to provide autonomy and, its control panel will show which circuit has been attacked, each being isolated from the others to guard against earth faults.

For smaller bank branches, jewellers and other relatively compact premises containing objects of high value a self-contained alarm called System 210 carries two overnight protecting circuits, a rapid circuit and exceptional arrangements to protect itself from interference. Detection of an intruder would normally be notified immediately to the police, or central station on a 999 call. A local alarm would be sounded some five minutes later.

In all the equipment now released, the company has tried to pay particular attention to eliminating design faults from instruments. A serious burden on already overtaxed police forces and brigades.

## ELECTRONICS

### Miniature microwave mixers

A COMPLETE series of miniature microwave mixers giving frequency coverage from 400 MHz to 140 GHz has been introduced by EMI-Varian of Hayes, Middlesex. Designated MLC1 for frequencies up to 20 GHz and MLC10 for higher frequencies, the new mixers are designed for use in radar, telecommunications and security applications.

The devices use Schottky barrier diodes and are suitable for heterodyne and homodyne use over a wide range of intermediate frequencies. Other features include wide instantaneous bandwidths and low noise figures.

The MLC1 series utilises microstrip circuitry with highly stable, high purity aluminium oxide used as a base. The MLC10 series is available in waveguide sizes WG 22, 24, 26 and 28.

## WORK STUDY

### Measuring by computer

NO new application of the computer in industry can really come as a surprise nowadays and it was probably only a matter of time before work study came under computerisation. Now, the Wofac Company, the originators of Work Factor (one of the first predetermined time and motion systems) have come up with a computerised system of work measurement called WOCOM which has completed field testing and is now fully operational in the U.S.

WOCOM is a computer program and data bank which produces output information such as a motion analysis, a task summary, a standard hours/junit figure, and a figure for the number of units per hour.

It produces these results after being presented with certain basic information including the configuration of the workplace, the characteristics of the objects to be used and the work that is accomplished. A good deal of this material takes on a standardised form in many factories. Thus, most of the work stations in a plant may be described once and then stored on the computer file for use when needed. Similarly, there is often limited set of tools, fixtures and component parts that are used in a large number of different operations.

Also fed into the computer are the basic actions needed to perform the job (not the motions). The basic actions are "assemble," "move," "get," "release," "assemble," and these are used in conjunction with a number of modifiers such as "to," "from," "at" and others of greater sophistication. One of the outputs of the program is then a detailed motion analysis.

The system is now available for use in the U.K. using a transatlantic data link and further details can be obtained from The Wofac Company, 30, Parkside, London, S.W.1.

## TRANSPORT

### Checks road vehicle axle loads

VEHICLE-MOUNTED weighing systems by Wirral Automation aid to safety, and in many cases will reduce repair and maintenance bills—overstressing of vehicles due to excessive loading being a major contributor to both problems.

A cab-mounted display indicates the total load taken on to the vehicle, the load on any axle can be determined by depressing an axle selection button, which cuts off load indication from all other axles. The system can be developed to provide a net or the increased tempo of active gross weights and any number of axles on either rigid or articulated vehicles can be catered for while still retaining individual axle display facilities.

Operation of the unit is based on a strain transducer which can provide considerable amplification of any strain in an engineering structure.

When applied to vehicles, a single transducer, fitted at the centre of a non-driven axle, and two transducers, fitted one either side of the differential casing on a driven axle, ensure correct measurement of the vehicle loading even where it is applied unevenly through the springs. All transducer signals

are summed and amplified electronically and the display provided on a robust fault band viscous damped moving coil instrument.

Wirral Automation—which operates from Wirral House, Liverpool Road, Neston, Cheshire—offers a fitting and calibration service for Loadax systems covering all types of vehicle configurations. The complete fitting and calibration process takes only 2-3 hours. Load calibration is against a single axle weighbridge with the loads being applied hydraulically. As Loadax is calibrated against a weighbridge, the system accuracy is effectively set by the weighbridge accuracy. Over the wide voltage variations experienced on vehicle batteries and temperature ranges from -10 to +40 degrees C, accuracies of better than plus or minus 1 per cent over the full loading range of the vehicle are achieved.

Resolution is finely set by the output instrument but, using a digital readout, weights as low as 50 lbs can be readily measured on a 16 ton vehicle.

## PRODUCTS

### Big flexible drive belts

FOLLOWING field tests all over the world a new range of power transmission belts will be available in the U.K. from the beginning of next month. Tests in this country included a 46-inch wide belt on a 1,600 h.p. rolling mill drive installed at Raines, Swallow-on-Tyne, which is thought to be the biggest belt mounted in Europe in the last 25 years. The belts have also been used on the short centre high ratio drives on Henry Simon flour mills, working at between 5 and 40 h.p.

The belts have a new tension member which has the shock absorption of previous models but is 30 per cent thinner, resulting in more flexible belts which can be used for higher speeds on smaller pulleys.

Since the weight of the tension ply has been reduced, the maker claims that the efficiency is better than 98 per cent, and that in addition the new material is more stable, gives a longer maintenance free life, is free from slip and stretch, resists oil and water, and damps noise.

The maker, Stephens Miracle Belts, Tudor Industrial Estate, Dukinfield, Cheshire SK16 4RN, states that the greater flexibility permits a more powerful belt to flex round the pulleys, allowing the use of a narrower drive.

Translation in the plane of movement is maintained at a low friction coefficient by the use of polished stainless steel and PTFE bearing surfaces. A wide range of configurations is available, and the bearings can be either welded to the structural support or supplied with an inverted T section for welding to the pipe.

Bearings can be arranged to provide transverse and uplift restraint if required. Maximum bearing load is 6 tons.

### Pipes slide smoothly

STANDARD structural bearings designed to meet the needs of piping, ductwork and similar equipment experiencing large sliding movements have been developed by the Glaser Metal Company, of Wembley, Middx.

The system consists of three separate self-contained units—tape transport and control, record module, and replay module, each measuring 16½ x 8½ x 3½ inches.

The tape transport and control unit, which houses a dry battery pack, clips on top of either the record or replay modules, depending on the mode required, to form a package only 6½ inches high. The weight of the recorder in either its record or replay forms is 14 lb including the battery pack. The casing of each module is shaped at one end to form a carrying handle. The design allows the units to be carried either individually or Wilmslow, Cheshire.

### Regulates fluid flow

APPLICATIONS varying from automatic laundering machines to large irrigation sprinkling systems, where the common factor is control of water or fluid feed for efficient operation, are suggested uses for a regulator which monitors fluctuations in supply and delivers constant pressure or flow to the inlet feed in many types of equipment.

Supply conditions from water mains or pumping systems can be sufficiently variable to lead to loss of efficiency or malfunction, and Sigmund Pulsometer Pumps, of Reading, maker of the Sadova regulator, claims that this device will solve such problems, and also provide a means of adjustment of the control level in situ.

The regulator incorporates a variable axial orifice which changes in width as the inlet pressure fluctuates. The orifice is formed by the interaction of the slide valve and hydrocone surface.

Prior to the inlet pressure reaching the threshold pressure

the slide remains at rest, held in position by a spring. On increasing inlet pressure and after the threshold pressure is reached the slide moves axially against the spring because of the differential and axial forces behind the slide.

The orifice width and differential pressure are arranged so that constant pressure or flow is present at the outlet, variation of the spring working length and hence the outlet control level can be adjusted. With the exception of the spring and adjusting plate all parts are in plastics.

The valve is suitable for a range of liquids such as sea water, alkalis and certain acids. The present maximum working temperature with water is 60 degrees C but higher temperature models are being developed.

Sizes available are ¼-inch and 1-inch Bsp connections suitable for a flow range of 6-22 gal/min at a maximum working pressure of 160 psi.

## INSTRUMENTS

### Eight data channels on cartridge

DATA from up to eight sensors can be recorded on a standard 1-inch magnetic tape cartridge using a new instrumentation recording system just introduced by the systems and weapons division of EMI Electronics, Feltham, Middlesex.

Called the MDR 825, it has a bandwidth of dc to 800 Hz and is claimed to be ideal for instrumentation applications where more costly recorders cannot be justified. In particular it is likely to prove suitable for low-frequency vibration analysis in the motor-car and engineering industries.

The system consists of three separate self-contained units—tape transport and control, record module, and replay module, each measuring 16½ x 8½ x 3½ inches.

The tape transport and control unit, which houses a dry battery pack, clips on top of either the record or replay modules, depending on the mode required, to form a package only 6½ inches high. The weight of the recorder in either its record or replay forms is 14 lb including the battery pack. The casing of each module is shaped at one end to form a carrying handle. The design allows the units to be carried either individually or Wilmslow, Cheshire.

### UV recorder runs at any speed

A TWELVE channel ultra-violet recorder that can be adjusted to operate at any speed between 10mm/min. and 2in/sec. has been put on the market by the electronics and instrumentation group of Bell and Howell, Lennox Road, Basingstoke, Hampshire.

Called the 5-137 oscillograph, it was designed and manufactured in the U.S. Instead of a gearbox, an infinitely variable servo-controlled printed circuit motor is used with a 12,000 to 1 speed range. The operator is thus able to select the exact recording speed for a particular requirement, with a digital display of speed on the front panel.

Due to the very fast response time of the drive motor, recording speeds can be accurately controlled not only from the instrument itself but also remotely by means of a potentiometer, or by a variable voltage.

The machine also has a device that allows record lengths to be preset between 0.5 and 50 metres, contributing to economical use of paper, particularly at high speed.

The 5-137 produces 18cm wide records and can record from dc to 25 kHz at writing speeds in excess of 2000 metres/sec. Trace width is less than 0.25mm.

### Instrument maintenance data scheme

OVERHAUL, calibration, alignment and fault finding procedures for over 300 modern control instruments have been made available by the British Work Measurement Data Foundation in conjunction with ICI.

The procedures are claimed to be practical, informative, and easy to follow, and to give logical step-by-step guidance to the various maintenance operations on specific named instruments.

Synthetic data is also available for the procedures. Compiled by a team of practical work study men, it provides both elements and operation time values.

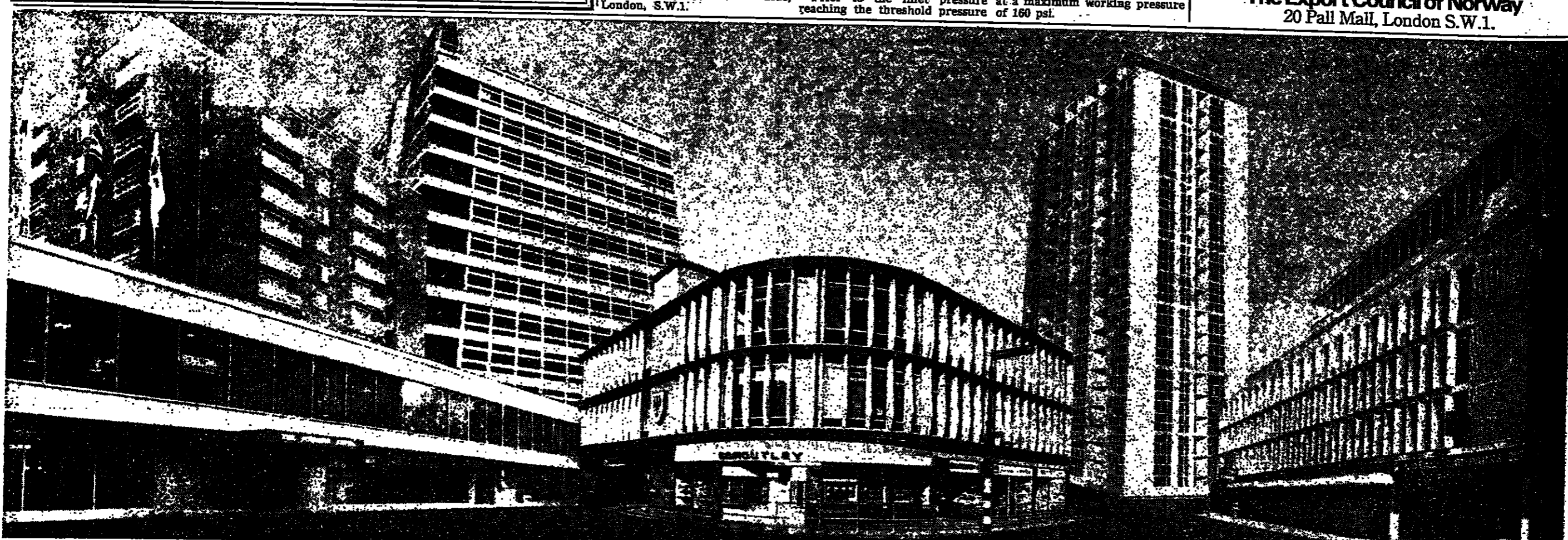
Further information can be obtained from the Foundation at 2 Wilmslow House, Water Lane, Wilmslow, Cheshire.

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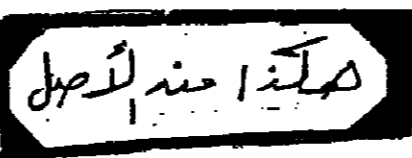
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# Building and Civil Engineering

## U.K. consulting engineers pave the way

MAJOR PROJECTS in Britain and overseas, which could lead to big jobs for U.K. contractors, have been disclosed by Rendel Palmer and Tritton, one of the largest consulting engineering partnerships in this country. The firm, which has offices in London, Manchester, Birmingham, and several other cities, is largely responsible for the design and construction of many of the country's major roads, power stations and roads. The firm is, for instance, nearing completion of a master plan for port development for the Government of Singapore. This plan covers general facilities, oil terminals and shipyards. It has been prepared with a view to phased development over the next 15 years.

### Transportation

For this project, the firm is contributing expertise on the economic and technical aspects of transportation by rail, rivers and inland waterways. The firm's economists and engineers are now in Brazil. A bridge across the Tigris in Baghdad has been projected for many years and Rendel Palmer and Tritton has now been asked by the Director General of Roads and Bridges, Ministry of Works and Housing to go ahead. Detailed design and writing of the economic justification report for sections 4 and 5 of this road is now being carried out. A site investigation contract is soon to be undertaken for £225,000. Completion of a study of the

metres of other approach roads together with two roundabouts. Estimated cost is £2.6m.

Design work in connection with major road projects in Iran have been undertaken in a joint venture with Iranden, an associated firm in Iran.

In the Nain to Yazd scheme, 170 kilometres of single two-lane road will form part of the Pan-Asian Highway. It crosses desert terrain with difficult soil conditions.

Some 3.6m. cubic metres of earthworks and over 1.4m. square metres of road and surfacing will be called for as well as 480 bridges and culverts. Tenders are to be called before the end of this year. Estimated cost is £134m.

For the Government of Fiji design work has been completed for the Suva to Nandi Highway—175 kilometres of 7.3 metres wide single carriageway surfaced road which will replace the present unpaved highway. Three contracts will be invited and tenders for contracts 1 and 2 are to be submitted on December 29. Completion of contract 3 is expected in 1973. Contract 2 is expected to be completed in 1977.

Some 10m. cubic metres of earthworks will be involved and there are to be 24 bridges and 789 culverts. Estimated cost of the project is £10m. Back in the U.K. in South Wales, several major road projects are being supervised. Construction of sections 1, 2 and 3 of the Taff Vale trunk road is among these, the first section being due for completion next month, the second in December, 1972 and the third in December, 1973. Respective estimated costs are £4.97m, £3.96m and £4.07m. Detailed design and writing of the economic justification report for sections 4 and 5 of this road is now being carried out. A site investigation contract is soon to be undertaken for £225,000. Completion of a study of the

feasibility of a basement type 2000 MW oil-fired power station at Littlebrook, Kent, is expected in December.

The Central Electricity Generating Board wants to compare the advantages of constructing a power station of this capacity and type in a basement with contact foundations with the alternative of a surface level station supported on piles. Site investigation is being carried out by Soil Mechanics. Cost of the project is estimated at £130m.

One of the major problems created by coal-fired power stations is the disposal of large quantities of fuel ash. Despite

its increasing use as an addition to cement and as a filling material large quantities still remain to be dumped. Rendel, Palmer and Tritton is involved in two schemes.

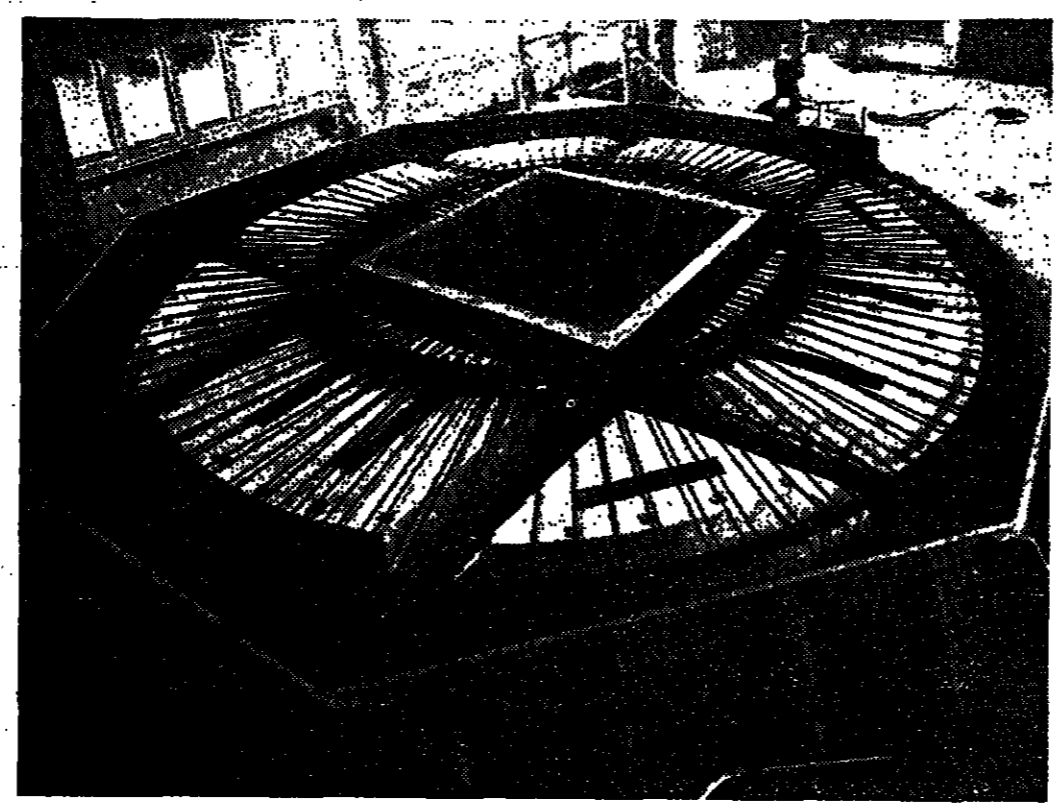
### Fuel ash dam

At Ironbridge power station much of the 250,000 tons of ash produced annually is being formed into a dam across a small valley near the station known as Devil's Dingle. When the dam is completed in 1983, it will be about 100 feet high. Approximate cost of this project is £3m.

A similar task is being carried out at Gale Common near Eg-

borough power station where about 1m. tons of ash for this material large quantities still remain to be dumped. Rendel, Palmer and Tritton is involved in two schemes.

One of the latest commissions for Rendel Palmer and Tritton is the design of the Thames barrier. The firm has also been retained by the British Airports Authority to advise on land reclamation for the third London airport at Foulness.



Formwork and reinforcement for an experimental section of a floating runway under construction at the Building Research Station, Garston, Herts, where research into the design of the upper slab of a 1,500-metre-long aircraft runway is now under way. It is proposed that construction should consist of precast reinforced concrete units about 30 metres square, post-tensioned together. These units, each consisting of top and bottom slabs separated by a system of ribs or walls, would give a raft-like construction based on

compartments about two metres square and 0.5-metres deep. These compartments would be filled with expanded polystyrene to simplify construction and provide a buoyant unit. The analysis for design purposes of this type of structure, although straightforward in respect of overall loading, says BRS, is complex for the top slab which must withstand the very high local loading of the wheels of aircraft. A special rig has been constructed in the BRS laboratories to measure the strength in punching shear of about 30 trial designs of flat and waffle slabs.

## Midlands office blocks

THREE office blocks, together worth £210,000, are to be built for a 6-storey 42,000 square feet building. The first concrete framed building will be brick clad and is due for completion next September. At West Bromwich Tarmac is building a 30,000 square feet office block for Landcraft Development under a £195,000 contract. The 4-storey, reinforced concrete framed, brick clad office block in Victoria Street, West Bromwich, includes a 8,600 square feet ground floor car park and is due for completion in 52 weeks. Architects are Diamond Redfern and Partners, of Wolverhampton.

## £1m. awards to Bovis

TWO orders together valued at £1m. have been awarded to Bovis Fee Construction by Audley Properties for developments at Dudley, Worcester, and at Eastleigh, Hants. The Dudley town centre development will include shops with residential accommodation above, an underground car park for 214 cars, with additional roof car parking. Site preparation is just commencing. Completion of the development is scheduled for February, 1973.

The Eastleigh job concerns a five-storey office block, with a floor area of 4,000 square metres situated in the centre of the town. The project should be finished within a year.

## £3m. project started in Birmingham

WORK has commenced on the £3m. two-stage development at Birmingham known as the Priory Ringway Centre. Stage one involves the construction of an office block, a multi-level car park, a department store and a public house and is scheduled for completion in June 1973. Stage two will commence next month and is due for completion in November 1973. This phase of the development is concerned with the construction of the Maclaren building, a high rise tower block containing some 124,000 square feet of air-conditioned offices.

The long term funding for this development has been arranged by a sale and lease back through the Post Office Superannuation Corporation scheme, more than 900 beams are to be moved.

## Mears in Liverpool

LIVERPOOL Regional Hospital Board has placed a £210,000 contract with Mears Construction for an extension to the Regional Radiotherapy Centre at Clatterbridge Hospital. A reinforced concrete two-storey extension is to be built near the main entrance hall with a ward block over it. The company has also received a £180,000 order to extend St Joseph's Roman Catholic School at Sontley Road, Wrexham. The two-storey building will provide an extra 1,250 square metres.

## Stockport sewage extensions

CREADLE Heath sewage purification works are being extended by the construction of eight 95 feet diameter reinforced concrete tanks, associated pumping stations, aeration units and storm tanks. The work will include 50,000 cubic yards excavation, and will use 18,000 cubic yards of concrete and 1,000 tons of reinforcement. The contract, valued at over £1m., has been awarded to Taylor Woodrow Construction (Northern) by the County Borough of Stockport. Completion is expected at the end of 1973.

## £10m. new contracts worth

£10m. new contracts worth nearly £10m. have been awarded to W. J. Simms Sons and Cooke, of Nottingham. They include residential quarters at the University of Nottingham, 155 houses in Leeds and a school at Cheltenham.

## LIMMER Holdings has been

awarded work worth more than £245,000 including surfacing of roads and paths to a new fruit and vegetable market in Manchester.

## HOLLAND, HANNEN & CUBITT'S (Civil Engineering)

is to build an extension to Wycombe Marsh sewage disposal works in Buckinghamshire. The work, for the Borough of High Wycombe, will include the installation of several sedimentation, diffused air aeration and settling tanks, pump houses and a pumping station.

## £2.6m. work for Kyle Stewart

LARGEST of the four orders recently won by Kyle Stewart (Contractors), which total £2.6m., concerns a psychiatric unit and ward block to be built at Bedford General Hospital.

Placed by the North West Metropolitan Regional Hospital Board, the contract involves a four-storey reinforced concrete framed building with brick infilling creating an area of 4,168 square metres.

The ward block will be part nine-storey and part seven-storey reinforced concrete frame with plastic-faced cladding panels. Work on the £1.5m. project should be finished within 35 months.

A warehouse extension to be put up at the Boreham Wood premises of Adhesive Tapes, calls for a 203 feet by 110 feet structure. For Northampton Investments, an office block is to be built at New Barnet. This job involves the demolition of existing buildings and the erection of a five-storey office building above a two-storey car park.

At Bridgehead, Glamorgan, a seven-storey Crown Building and car park building are to be built of reinforced concrete frames with precast exposed aggregate cladding. Awarded by the Department of the Environment, the £500,000 order is due for completion in 20 months.

## Computers cut out the drudgery

AS an aid to site services on its 124-mile M4 motorway contract in Berkshire, Costain Civil Engineering is employing Philips Electronics P3522 variable record computer for carrying out many routine administrative calculations such as payroll and plant costs.

Used exclusively on this £12m. job, the computer is fully engaged on about 20 programs ranging from weekly plant hire costs to modest technical calculations. The latter include such things as the drawing up of schedules of the thickness of slabs of concrete to be cast, a blacktop laid on the carriageway to the quality control of concrete by calculating the standard deviation of concrete cube test results.

Mr. C. J. Turvey, Costain's manager, accounts and administration, admits the installation is really only helpful in "taking the some of the drudgery out of site supervision, and for keeping the staff to service various contracts. All the applications are aimed at satisfying the general criteria of saving time, being more accurate and allowing trends to be identified sooner than possible with clerical calculations.

This M4 installation is in fact only one of nine such machines

## More houses in Scotland for Wimpey

DUNBARTON County Council has placed a £2m. contract with George Wimpey and Co. for a 387-home development at Ladyton, Bonhill. Work has started on the roads and sewers, and the two, three and four-storey blocks of flats, houses and cottages should be finished by April, 1973. Five shops and 61 garages are included in the contract.

## Boot starts factory project

WORK is due to start to-day on the construction of a 145,000 square feet factory and office block at the Codrington Gate Industrial Estate, Derbyshire, for the Low and Bonar Group.

Being erected on an 11-acre site bought from the Derbyshire County Council, the buildings will house new electrostatic coating equipment for the production of floor coverings and other electrostatically coated products.

Machinery will be installed by Besnier Plotex SA, of Chateau Renault, France, starting next summer. Low and Bonar has negotiated the U.K. and Eire manufacturing rights to the process, and the total cost of the project, including know-how, is expected to amount to around £2m.

Besides building the factory, office block, and ancillary buildings, Boot will be responsible for the design and installation of all services to the manufacturing plant.

## Gilbert Ash returns to Bath

PHASE 2 of Bath University valued at £2m. has been awarded to Gilbert Ash (Bovis Group). The company completed the first phase of the university last April.

Work on the second stage is due to start next week for completion by the end of 1973. The contract calls for a three-storey students' union extension, a single-storey sports centre, a pharmacy building and a nine-storey residential tower, all of insitu reinforced concrete.

The scheme also includes a three-storey school of management studies to incorporate a bank and shopping precinct. Of steel frame construction, the block will be clad in precast concrete. Architects are Robert Matthew Johnson-Marshall and Partners.

Under the first phase of the overall project, several four-storey blocks were built. These included buildings for engineering, physics, chemistry and mathematics departments, as well as the library and students' union.

## Newcastle housing scheme

NORTH British Housing Group has awarded a £1.7m. order to Bael Construction (North East) for the redevelopment of Stone Street in Newcastle-upon-Tyne.

The scheme, which is to provide 351 dwellings and 136 garages, will be laid out in three phases. Seven five-storey, three-three-storey and 17 two-storey blocks are to be built.

The smaller blocks will be of reinforced concrete crosswall construction, while the two-storey buildings will be of load-bearing brickwork. Designed by Williamson Partnership, the scheme includes landscaping of all open areas.

## Sheffield exchange extended

AN extension to the telephone exchange in Sheffield is to be undertaken by George Longden and Son (the building and civil engineering subsidiary of Whitecroft) under a £1.2m. contract placed by the Post Office Corporation.

Another £442,000 order concerns a unit for the treatment of mentally sub-normal patients at Oakwood Hall Hospital, Rotherham, Yorks.

Among other contracts recently received by the company are shops, offices and a bank at Moorfoot, Sheffield, and stage 3 of the Castleford, Yorkshire, civic centre, worth £223,000. For the new Hallamshire Hospital, United Sheffield Hospitals, a variety of work worth £131,000 is to be carried out.

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BRITISH Rail's Eastern Region has started running the first of 80 special trains carrying concrete beams from the works of Dow-Mac Concrete at Tallington, Lincs, to Pitsea, Essex.

To be used on the A13 road viaduct, which will form part of the Basildon Development Corporation scheme, more than 900 beams are to be moved.

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**BUILDING**

The Financial Times will publish a survey of the Building Industry on Monday, November 15. The following indicates the proposed editorial content.

- The Industry. Current work load situation, performance over last year and prospects for coming year—reasons for present fall off, like lack of confidence, change of Government. Credit problems. Firm price tendering/inflation. EEC prospects. VAT and other tax problems, training. The CIBT, long-term prospects.
- Housing. (a) The pattern of U.K. demand into the 1980's: the balance between private and public sector activity in this sector is changing dramatically. What influences will affect the future development of housing? Need for new forms of housing to broaden scope for ownership. Extensibility and versatility: 2-stage homes and mini homes. (b) Improvements. Implementing the 1969 Housing Act. Number of houses improved since 1969. Effect of this new demand on builders and component manufacturers. Steps involved in declaring a general improvement area, and obtaining public participation.
- Industrial. Total floor area approved by industrial development certificates for projects of 10,000 sq. ft. and over for the 12 months to the end of June 1971 came to 75.7m. against 93.1m. before. Construction in the private sector; a particularly depressed area in view of industry's reluctance to invest. Prospects for revival. Although borrowing is expensive it seems more industrialists would consider expansion were it not made difficult by other factors. Having expanded, fill his site, an industrialist may be prevented from moving unless it is to an area scheduled for new industry.
- System Building. A move away from the highly labour intensive to the capital intensive production of not only houses, which have been very depressed, but schools, hospitals and offices.
- Structure. Mergers, liquidations, take-overs, general profitability of the various sectors of the industry.
- Labour. Abolition of the "lump", etc.—Industrial Relations Bill.
- Training. Problems of CIBT. IOB's plea for more recognition.
- Safety. Analysis of industry's record. Highlight dangers—scaffolding collapses. Suggestions for improvement.
- Materials. (a) General review: Reduction of imports aimed at. Prices were rising at about 12% p.a.—current situation? Effect of cement price rise, steel price rise was halved. Bricks up another 3%. Aggregate: sand and gravel quarrying was particularly unprofitable, but more recently one chairman said his group looks forward to a much better year. (b) Exports. Material and component exports reached £195m. in 1970—a rise of 14% on 1969. Costain's Queen award. Laying setting-up in U.S.
- Plant Hire. One of the great areas of growth in the past few years, but stagnant recently with the depressed state of the industry.
- Performance Specification. BSI's current position.
- Maintenance. About 1/3 of all the industry's turnover: need to consider overall costs of building, i.e., capital and running costs over the first few years. Is there an argument for greater initial expenditure to minimise subsequent maintenance costs. New techniques and materials.
- Computers.
- Research. The Building Research Station is Fifty years old—why it was set up—impact of science on building—recent developments—GRC, Go-Con, etc., and dissemination of knowledge—looking forward—research needs of future—jubilee congress.
- Research Achievements.
- Firm Price Tendering. The industry versus the Government. Does this policy generate or moderate inflation? What is its future? A spokesman for the industry has said that builders are prepared to give firm prices for 12 months but not for 2 years.
- Negotiated Contracts. Move towards this form. Advantages were outlined by Barwell Committee and now most major contractors are happy to negotiate. Bovis Fee Construction has worked in this way exclusively for many years; one large group reckons that two-thirds of all its work is negotiated. Wates has made efforts to encourage this approach. Advantages include time saving and greater co-operation with designers.
- Building Societies. Their vital part in housing.
- Metrication. Already something like 24 per cent. of contracts are in metric according to Metrication Board. How the change affects work on the drawing board and on the site. Changes in components and their effects on dimensional co-ordination.
- Productivity. Experience shows increases are achieved more by good management than by new techniques. Need to plan and control work—particularly finishing trades where most delays occur. New techniques such as NBA's Compact and Line of Balance.
- Architects. New forms of contract and other RIBA problems.
- Professions. Fees being increased for architects, but consulting engineers' fees are under revision. Register for forming consortia and mergers being kept by a firm of management consultants.

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MONDAY OCTOBER 18 1971

## Getting down to figures

IT IS one thing to agree to discuss a bargain; it is quite another to settle the figures upon which the bargain can be struck. The first official attempt to settle the terms upon which a new international monetary agreement can be arranged will be made this morning, when members of "Working Party Three" of the Organisation for Economic Co-operation and Development sit down in Paris to discuss the understanding reached at the annual meeting of the International Monetary Fund in Washington a few weeks ago. The talks will continue, with much the same officials present, at the Group of Ten meeting tomorrow and on Wednesday; the papers thus prepared will be before the Finance Ministers of the ten countries when they meet in mid-November.

American opposition to even a small increase in the price of gold now seems to have been broken, at least in Congress and among the ranks of the commentators. Most hopefully of all, an agreement has been reached with the Japanese and other Asian countries on textiles.

## U.S. elections

Furthermore, it is now being reported that unilateral discussions between America and West Germany have taken place and are bearing fruit, although just what the nature of that fruit remains to be seen. This vagueness on actual mechanics could well suggest that the Bonn reports and Mr. Connolly's remarks on Germany were designed as a bargaining ploy, to "soften up" countries like France which have taken a much harder line.

## Difficulties

This very timetable is in itself evidence of the considerable difficulties that will have to be overcome if a final agreement acceptable to all the major parties is to be reached. There is already talk of a fresh meeting of Ministers to follow the gathering arranged for mid-November; unless things go unexpectedly smoothly, the debate will be carried over into the New Year. The almost euphoric mood that prevailed at the IMF meeting in Washington has now been replaced by a more sober realisation that when Governments are confronted with precise figures their natural reaction is to move cautiously and therefore slowly.

In some ways the picture has improved. The U.S. Secretary of the Treasury, Mr. John Connolly, has taken to giving hints of a flexible approach when he is addressing himself to the Europeans or Japan, even though he maintains a hard, nationalistic line for his home audience. The former near-unanimity of the

## VAT and the retailer — not as simple as it seems

BY KELSEY van MUSSCHENBROEK

NEXT month should see the Government putting a Bill before Parliament in preparation for the introduction of Value Added Tax in April, 1973. It will come not a moment too soon. Ever since the Chancellor announced in his March, 1971, Budget that Purchase Tax and Selective Employment Tax would be replaced by VAT industry and commerce have been trying to assess the practical implications of what will, after all, be the biggest single U.K. tax change within living memory.

One has the impression that it was some months before the magnitude of Mr. Barber's proposed change really began to sink in as far as businessmen were concerned; but to-day some of the busiest lines in the country are those of Customs and Excise, the Government department which will be administering the tax. In theory VAT is simple, comprehensive and neutral. Although collected in stages down the production and distribution chain (as the table shows), it is finally borne fully by the consumer.

## Teething troubles

In practice, it may not turn out quite so simple. The Government's introductory Green Paper stressed that after initial teething troubles, VAT had not been found "unduly difficult" to operate in the European countries that have already adopted it. The fact remains, however, that none of these countries was faced with quite the same degree of upheaval in moving on to VAT that is likely to afflict the U.K. Either they had had experience of a similar tax—such as the turnover taxes in France and Germany—or their indirect taxes were already more broadly based than ours, as in the case of Denmark and Luxembourg.

The U.K.'s situation is unique to the extent that it will be moving from what is essentially a "vertical" system of indirect taxation (based on a comparatively narrow range of goods and services) to one that is "horizontal"—applying right across the board. It is not surprising, therefore, that VAT is now being viewed with mounting apprehension.

This is especially true of the distributive trades where the accounting is nowhere near so sophisticated as that of manufacturing industry, but will have to bear the administrative brunt of the tax because of the number of its establishments.

One basic reason for this apprehension is simply timing. The Neddly report on VAT, published in April, points out that the introduction of the tax "would inevitably take time, probably at least two or three years from the time that the primary decisions were taken."

HOW VAT WORKS (at 10% rate)				
	Tax-exclusive price	Tax on price	Tax remitted to the tax authorities	
Producer of intermediate product imports raw materials having a value of	0.50	0.05	0.05	Producer pays 5p tax at importation
Producer makes intermediate product and sells it to a manufacturer for	1.00	0.10	0.05	Producer is accountable for 10p tax but takes credit for 5p tax paid at importation. He invoices 10p tax to his customer
Manufacturer makes final article and sells it to retailer for	2.50	0.25	0.15	Manufacturer is accountable for 25p tax but takes credit for 10p tax involved to him by producer. He invoices 25p tax to the retailer
Retailer sells article to consumer for	4.00	0.40	0.15	Retailer is accountable for 40p tax but takes credit for 25p tax invoiced to him by manufacturer
Total paid by final consumer	4.00	plus	0.40	

depending on the other tax authorities when the switch takes place, the result would be "chaotic." It would either lead to massive de-stocking of goods subject to purchase tax, prior to the day, or, falling this, to straight price increases directly corresponding to the new rate of VAT—which in itself would be enough to disrupt the market for many goods.

Moreover, even if the tax authorities accept this argument, it will still involve the retail trade in a massive stock-taking operation to avoid double taxation of existing stocks. Not that this should prove difficult for the Marks and Spencer's of this world; but the small street corner shop is another matter. Another problem exercising the retail trade is just how VAT is to be calculated. Merely the frequency of transactions, it is argued, makes it impracticable to do this at the checkout.

## Upheaval in accounting

Timing also poses a real dilemma for traders. In the case of, say, a large retail organisation with dozens of branches the accountants feel they need the maximum notice, not only of the way in which new or modified cash registers, but also of the rates themselves—even if there is to be just one rate and a "zero" rate. Other words, they see VAT mainly in terms of an upheaval to existing accounting systems. In contrast, those concerned with day-to-day trading see things in a very different light. Any advance notice of tax rates could bring about severe distortions in consumers' purchasing patterns as they rushed to buy goods on which the tax was to rise, and waited for those on which it was to be reduced. Such distortions would be repeated throughout the economy.

Closely related to this is the fate of the £250m. worth of purchase tax already charged on stocks in retailers' hands at any one time. The Retail Consortium argues that if this amount is not credited to retailers on their "VAT account" with the tax



Cash-and-carry checkout: possible problem point for VAT accounting.

Moreover, it is argued that special promotional price still carry a tax burden related to their "normal" price. The same applies to special volume discounts available to the large buyer, so that the advantages of VAT are not compounded by tax.

Under VAT this, or course, would change—the tax is leviable on the ultimate price on the tag. Short of the authorities making a special case of this, it looks very much as if the concept of "the lower the margin, the lower the tax" (effectively what happens under VAT at the retail stage) is likely to increase the competitive pressure on the small trader.

## As simple as possible

From all this it is apparent that the almost universal cry of trade bodies to keep the VAT system as simple as possible is not just special pleading. The more rates of tax there are, the greater will be the administrative problems: that much seems certain.

And it is this that makes the Government's intended arrangements for food, so hair-raising for the distributive trades. Last week at Brighton Mr. Barber repeated his pledge that VAT would not apply to food, "except for those few items already subject to purchase tax." It is these few items—and the hint of further exceptions—which retailers feel could really gum up the works as Britain installs a new machinery for taxation.

## Sophisticated equipment

Of course, by using sophisticated computerised systems it would be possible to produce such a document as is fairly widely done in Europe. The fact remains, however, that in the U.K. cash-and-carry has developed along somewhat basic lines, and such systems are virtually non-existent—only one warehouse is believed to have it.

## Japan gives way on textiles

JAPAN'S agreement to limit its exports of woolen and synthetic textiles to the U.S. marks an important breakthrough in U.S.-Japanese relations—not least because of the immense amount of argument and ill will between the two countries on this issue in the past. The textile problem has been preoccupying both Governments since near the beginning of the Nixon Administration, and is believed to have been the cause at one point of a serious personal misunderstanding between President Nixon and the Japanese Premier, Mr. Sato.

Yet paradoxically it is not, and has never been, an issue of prime economic importance for either Japan or the U.S. Imports account for only a minor percentage of total U.S. textile consumption, and Japan is less a formidable competitor for the American domestic producers than other, low cost, Far Eastern nations such as Korea and Hong Kong. In Japan itself the textile industry is already in decline. Its position, however, likely to be dramatically worsened by an official programme of controls, especially as the U.S. is to waive the 10 per cent. import surcharge on textiles in return for the agreement.

## Political factors

The fact that textiles have nevertheless brought the U.S. and Japanese Governments to the verge of a trade war is largely the result of political factors. The textile industry in the U.S. is concentrated in the southern states where President Nixon badly needs political allies. In Japan the textile producers also represent a formidable regional lobby, centred on Osaka, the nation's second largest city and traditionally second influential with the Ministry of International Trade and Industry, which is the most nationalistic and inward looking of the major Japanese Ministries.

The industry threatened only a few weeks ago to "overthrow" any Japanese Government which conceded the American demand for an official control on exports. It is certain to fight very hard indeed against the agreement which has been actually been signed. But the textile leaders may not prove to be a match for Mr. Kakuei Tanaka, the Trade Minister who

negotiated the agreement and who is himself a candidate for the succession to Mr. Sato.

## U.S. concession

In grasping the textile issue as firmly as he did there is every reason to believe that Mr. Tanaka was himself acting from political motives. In the first place, by becoming the first Japanese leader to show a real inclination to negotiate on the issue, he was able to win one very important concession from the U.S. The agreement was to sign for three years, not for five as the Americans at first demanded and as they are still insisting should be the period for agreements with other Far Eastern nations.

In the second place Mr. Tanaka clearly hoped to draw a contrast between his own incisiveness and the indecision of Mr. Sato whose stock has been falling fast even within the ruling Liberal Democrat party. One of the reasons for the election in Tokyo was with which likely to be dramatically worsened by an official programme of controls, especially as the U.S. is to waive the 10 per cent. import surcharge on textiles in return for the agreement.

It remains to be seen whether Mr. Tanaka wins his gamble with the textile producers. Before the issue placed him in the limelight he was certainly a less formidable candidate for the premiership than Mr. Takeo Fukuda the Minister of Foreign Affairs and former Finance Minister who is Mr. Sato's personal nominee. It may be that Mr. Tanaka has now made him- self more new enemies than friends. But at least he has set the pattern for what could and should be the future relationship of Japan and the U.S. on economic and financial issues. The two countries still have much to discuss, including the parity of the yen and the liberalisation of Japanese controls on imports and direct investment. They will be far more likely to make progress if the agreement which has been actually been signed. But the textile leaders may not prove to be a match for Mr. Kakuei Tanaka, the Trade Minister who

negotiated the agreement and who is himself a candidate for the succession to Mr. Sato.

## MEN AND MATTERS

## Bright hopes for the Jetstream

"We've been lucky. The rest of the world's aircraft industry has been right on the floor. None of our competitors has gone ahead with new products."

This sigh of relief comes from Capt. Bill Bright, who 14 months ago bought the design and manufacturing rights for the Handley Page Jetstream. Handley Page had gone under with a deficiency of £14.5m. and in a scene of some chaos—there being two official receivers, for Handley Page Ltd. and for the Handley Page Aircraft Ltd., the vehicle for an abortive American-backed rescue operation. On the face of it, Bright's chances of saving the 18-seat turbo-prop aircraft did not look much brighter. But the dream is still alive.

Bright is a 48-year-old ex-RAF and ex-BOAC pilot who has managed a small airline, Blue Air, and run his own companies, World Wide Aviation and Terravia Trading Services for ferrying aircraft, selling secondhand ones and training pilots. In Jetstream Aircraft, he has collected some senior ex-Handley Page men to work for him. There is also Dr. Gordon Watson, chief engineer of Scottish Aviation, the Laird Group subsidiary which makes the successful Bulldog trainer, as his technical director, and a joint company with Scottish Aviation has been formed to manufacture more Jetstreams. But, so far, though a new version of the aircraft, the Series 200, has been developed, Bright has only sold one, to France. Liquidity is secure till next August, he says, "even if we don't sell another one." So his hopes now centre on winning an RAF contract for a pilot trainer replacement for

the Varsity aircraft. The requirement is for 25 aircraft and from 11 contenders, the Jetstream was one of two (the other is built by North American Rockwell) put through final evaluation tests at Boscombe Down. Bright hopes for an answer from the RAF within six weeks. If the order is not won, the saving of Jetstream will, he admits, "be a lot slower."

## Will Sindona join the Club?

Another chapter of the Bastogi affair, the first publicly conducted take-over battle in Italian history, must end to-day in Milan. The unnamed international finance group, which made an offer for 20m. Bastogi shares (one-third of the total), must decide whether to accept the around 13m. shares it bid at Lire 2,800 has drawn out. The bid, pitched at Lire 1,000 above the then market price, has contained all the elements of high Latin drama. Bastogi, with key holdings in many industrial companies, represents the secondhand ones and training pilots. In Jetstream Aircraft, he has collected some senior ex-Handley Page men to work for him. There is also Dr. Gordon Watson, chief engineer of Scottish Aviation, the Laird Group subsidiary which makes the successful Bulldog trainer, as his technical director, and a joint company with Scottish Aviation has been formed to manufacture more Jetstreams. But, so far, though a new version of the aircraft, the Series 200, has been developed, Bright has only sold one, to France. Liquidity is secure till next August, he says, "even if we don't sell another one." So his hopes now centre on winning an RAF contract for a pilot trainer replacement for

## Lloyd's hunt for quills

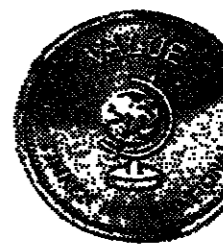
Will no one cut quill pens—the contract is for between 150 and 200 quills a year—for Lloyd's? The problem is serious. Since 1774 the Casualty Book, usually called the Loss Book, has lain open beneath the Luttrell Bell and all ships that are, or are likely to become total losses have been entered on a Loss Book. Clerk writing in copperplate with a quill pen. Now a lady living in Edmonton, who had been supplying Lloyd's with quills for years, has stopped. Mr. Eric Young, the

## and smoked out

I regret that Mr. B. C. Ganguli, the chairman of the Indian Railways Board, whom I reported last week to be staging a sit-in aboard a railway carriage to protest at his premature retirement, has finally given up and gone home. The fact that his carriage was pasted over with copies of the special order commanding his retirement signed by Indian President Mr. V. V. Giri may have had something to do with it.

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# Turkey

Financial Times Survey

This Survey coincides with the State visit of the Queen to Turkey which starts today.



## Political uncertainties hinder growth prospects

By ROBERT GRAHAM

Democracy in Turkey is like a baby born prematurely which has to be kept in an oxygen tent. In order to survive the baby has to rely upon the skill of doctors and a degree of luck. This image, related to me by a former minister, sums up all too poignantly the delicacy of the current political situation in Turkey. The Turks attach a great deal of importance to their system of parliamentary democracy, but it is going through its stiffest test since the overthrow of the Menderes Government in 1960.

In this instance the role of doctor is being played by the military leaders, who since March 12, have been orchestrating backstage a form of guided democracy. They have been anxious to retain the appearances and most of the realities of civilian rule. However, the radical reform programme to which they and the Government of Professor Nihat Erim have committed themselves has provoked a confrontation with the elected parliamentary majority—a confrontation which is both a test of Parliament's maturity and of the role that the military should play in politics. It is a crisis revolving round a complex combination of principles, policies and personalities. No irreversible move has been made but the longer the reform programme is delayed, the greater the risk of a firmer hand from the military, even though the Armed Forces seem aware of the failure of direct military rule in 1960.

The year has been a traumatic one. In March the heads of the Army, Navy and Air

Force intervened to demand the resignation of Mr. Süleyman Demirel who had headed three successive Governments since 1965. A supra-party Government was installed under a French-trained lawyer, Professor Erim, while the Justice Party under Mr. Demirel was

general in Istanbul in May. Added to this there has been an atmosphere of general uncertainty as to the intentions of the military and the real nature of the Government's reform programme.

On the surface the removal of Mr. Demirel was dictated by a mixture of frustration at his ineffectiveness in the face of mounting anarchy, fear that left wing elements might mount a coup and conviction that his Government had strayed too far from the principles of Atatürk. Since the Armed Forces regard themselves as the trustees of the Atatürk inheritance this latter conviction seems to have "legalised" Mr. Demirel's removal. Beneath the surface, the military leaders had another motive as well.

Much evidence suggests that their action—headed by General Tagmac, Chief of General Staff, General Gurlur, Commander of the Land Forces, Admiral Eycioğlu, Commander of the Navy, and General Batır, Commander of the Air Force (now known as the "Commanders")—was to pre-empt any more radical action from within their own ranks. Since March there have been over 400 dismissals and "transfers" among the officers.

Contrary to what might be assumed, the majority of the officer corps in the 510,000 strong Turkish Armed Forces cannot be labelled right wing. If anything they represent the progressive elements within Turkey both through a traditional association with Atatürk's reformism and due

to the fact that a military career has proved attractive to those without wealth. (Mr. Demirel's chief mistake was to neglect the military).

The Commanders have emphasised that they are soldiers and not politicians: the running of the country should be left to those competent to do so—hence Prof. Erim's Cabinet carefully balancing the politicians with a number of technocrats brought in for the first time from outside Parliament. The Commanders, however, comprise the most powerful group within the National Security Council, the supreme advisory body which meets seldom yet whose role at the present time is ambiguous.

**Firmer government**  
The general picture to emerge from the first six months since the military intervention is of a return to firmer government. The 1960 constitution has been altered in a number of important respects which allows the Government greater powers and offers the military a right to intervene where national security is at stake and permits government by decree. The autonomy of previous institutions like the universities, the State broadcasting corporation and the courts has either been curtailed or abolished. Meanwhile wider powers have been given to control the trade unions (increasingly important and well organised), prices and wages and the rights of minority political groups. Finally, one of the fundamental articles was

a stricter that no one can exploit differences of race and religion (class was excluded), which revealed a continued nervousness towards Islamic extremism and Kurdish nationalism.

Accompanying this firmer line has been a concerted effort by the security forces against militants, mainly the members of the Maoist orientated self-styled Turkish People's Liberation

Army. The imposition of martial law on April 26 and its subsequent prolongation on three occasions has put a halt to the bombings, bank raids and other urban guerrilla activity. A substantial but unknown number of arrests have been made, including several university teachers. But while the authorities seem to feel that law and order have been restored, the extent of the

TPLA's organisation which has come to light, suggests that there is little room for complacency as yet. Martial law is next due for renewal on November 25. The central focus of attention, however, remains the reform programme, details of which are still lacking. It aims at a complete overhaul of the existing administrative and economic structure, in particular seeking

a fairer distribution of wealth, an improvement in public services, a new emphasis on the public sector in the economy and—most controversial of all—a comprehensive effort to tackle land reform. The philosophy is one of democratic socialism, tinged with a certain re-emphasis of Turkish nationalism. The reforms are perhaps closest to ideas of the Left-wing People's Republican Party.

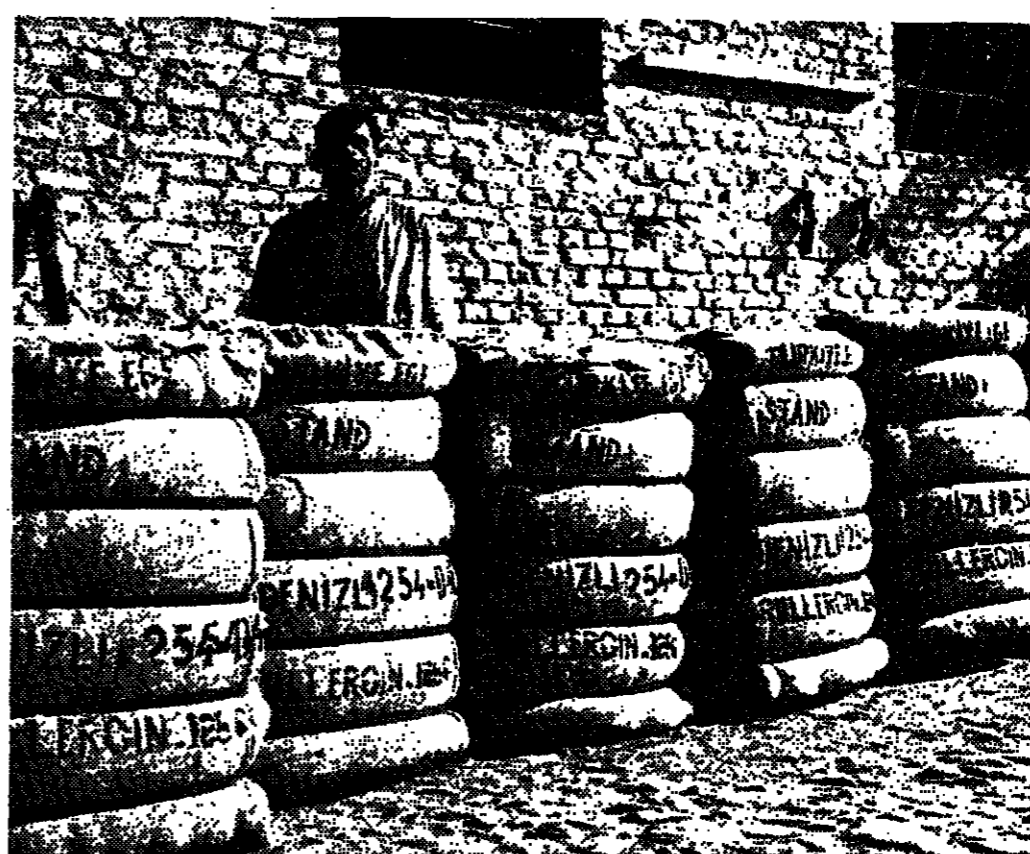
**Land reform**  
Prof. Erim has called his supra-party Government, a "Government of reform." Somewhat ironically the very area where he proposes to carry out his most fundamental reforms and offer the greatest benefits—the land reform—is precisely where there will be the greatest opposition. The peasantry provides the bulk of the vote for Mr. Demirel's Justice Party and the conservative Islamic nature of the peasantry, which comprise over 60 per cent. of the 36m. population, is bound to object to land reform. The business community, also in some measure JP supporters, has not taken kindly to the possibilities of greater State control and the dirigiste tone of Government.

The problem for Prof. Erim is that he has no power base. His authority rests solely on his support from the military, the confidence he can generate within Parliament (as a former member of the Peoples Republican Party) and the tacit backing at least from its leader, the veteran politician Ismet İnönü, and the backing of the President, Cevdet Sunay. Because Mr. Demirel commanded 47 per

cent of the vote, he has no power base. His authority rests solely on his support from the military, the confidence he can generate within Parliament (as a former member of the Peoples Republican Party) and the tacit backing at least from its leader, the veteran politician Ismet İnönü, and the backing of the President, Cevdet Sunay. Because Mr. Demirel commanded 47 per

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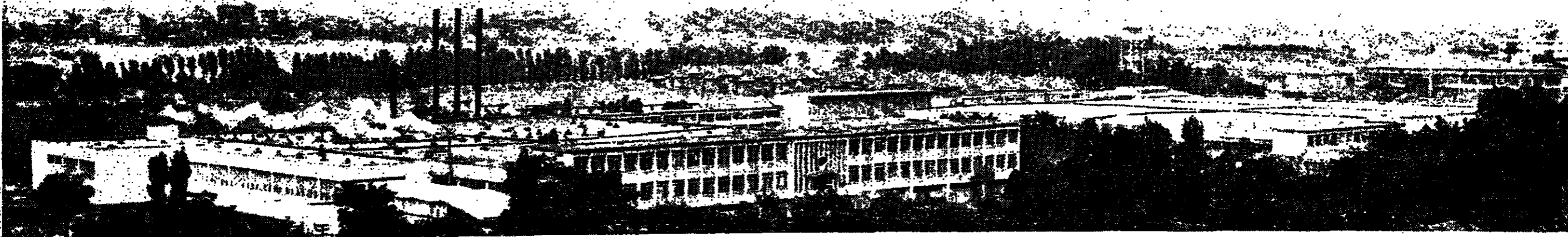
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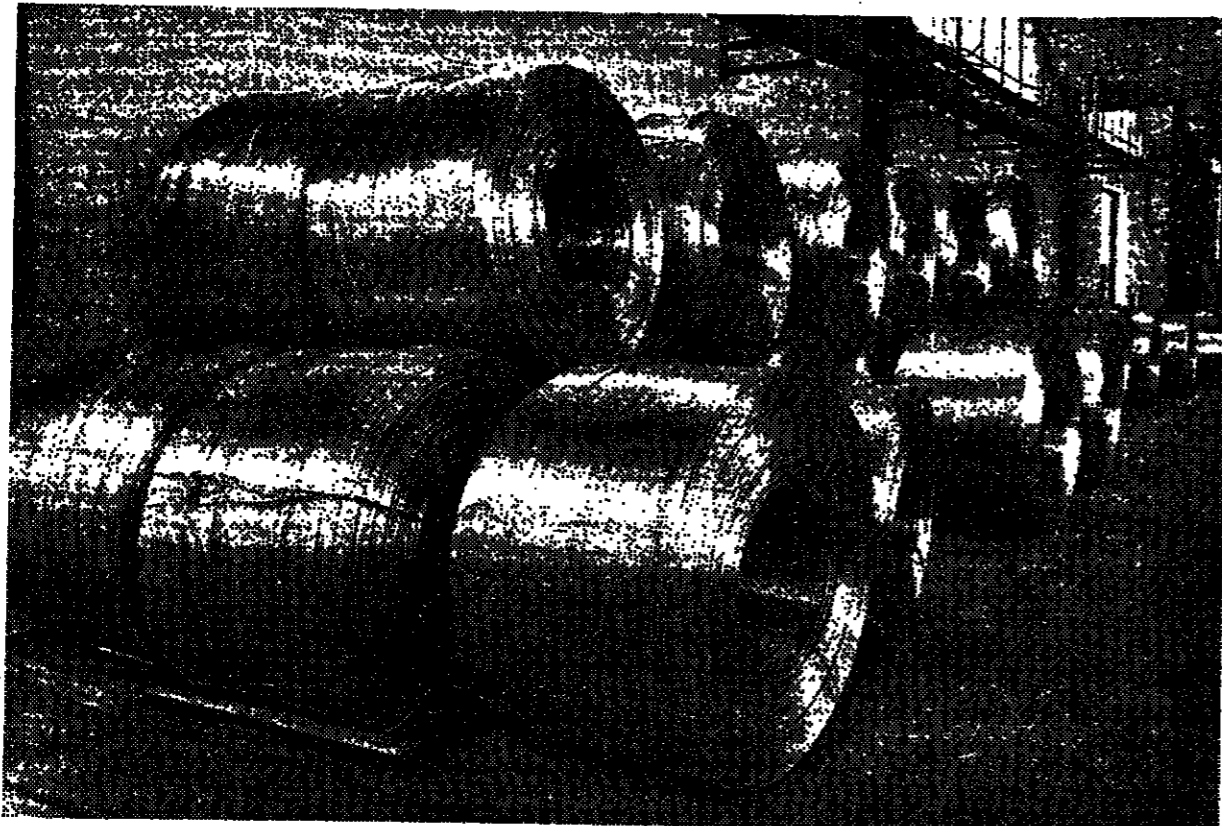
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## TURKEY II

# New direction for foreign policy

By DAVID TONGE

FOR a century Britain tried to preserve the integrity of the Ottoman Empire and since World War II NATO has followed the same policy towards Turkey. But Turkey is disturbed. At the time of the Cuba crisis it saw America reach an agreement with Russia which partially involved its defence but on which it was not consulted. Now it fears that a similar development may be at hand. Its reasons for concern at the implications of this are substantial. For generations it has had to watch Russia advancing relentlessly south. The Black Sea has ceased to be an Ottoman lake and Catherine the Great's dream of direct access to the Mediterranean has come close to being realised. The discovery of oil in the Middle East reinforced Moscow's territorial ambitions and Turkey is waiting for it one day to try to realise these.

Its own relations with Russia went through a temporary improvement just after the two countries' revolutions, but Soviet hectoring in 1939 and outright demands in 1947 restored them to a more realistic level. They also drove Turkey into America's sphere of influence. Its position in this was reinforced by the Truman doctrine and by Turkey's eventual accession to NATO.

Like all special relationships this one with America finally went too far. Through its bases and missiles in Turkey, America indirectly involved the country in the 1958 Lebanon crisis, in the U2 controversy with Russia, and in the Cuba confrontation. The agreement reached after the last of these led to the removal of the Jupiter missiles from Turkey and was considered

position at the crossroads of Europe and Asia, and being based on favouring the alliance of whichever bloc can play the strongest role against Russia. To-day it relies on America and NATO, and will continue doing so for as far as one can see. But its recent recognition of the People's Republic of China was not just done out of politeness. More than with most of the other countries who have taken the first moves in what may prove to be a policy of insurance against any full detente between Russia and the West.

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the Eastern Bloc. Its response to the passing of the phases of the cold war has been belated but strong. It has exchanged visits with Russia to the level of head of State and has strengthened its commercial links. It has opened its road border to the Soviet Union and accepted a \$100m credit for its industrial development.

### Kurdish problem

Yet all this concerns the presentation of the policy and not its substance. Fundamental attitudes remain unchanged on both sides. The Communists Bizim Radyo continues to foster Turkey's Kurdish problem and broadcast unrest. Nineteen Soviet divisions stand ready on the Caucasian frontier and there are 48 airfields which could be used during hostilities. Mr. Brezhnev may emphasise the importance of Turkish-Soviet friendship and President Podgorny be due to visit Turkey, but they are viewed with scepticism. The Turkish National Assembly avoids ratifying a four-year-old cultural agreement. President Sunay is on record as saying that even socialism is banned in Turkey and Communism is more persecuted than ever. The Marxist Turkish Labour Party has been closed down and one man has just received a seven-and-one-half-year sentence for publishing a translation of Lenin.

Turkey's relations with the rest of Eastern Europe show a similar split between pragmatic commercial realism and long term political anxiety. As the Turks said during the visit of President Ceausescu to Ankara, half to themselves and half to remind him of the invasion of Czechoslovakia, the bear plays in your neighbour's garden will play in yours too.

### Balkan entente

They would like to build some buffer between themselves and Russia in the Balkans, but are pessimistic about the chances of this. They do not feel that Romania's suggestion of a general Balkan entente is practical, let alone genuine. Greece favours such a policy and the idea, in its present form, was originally floated by its last Prime Minister. But Turkey believes that Romania's only real aim is to obtain a nuclear-free zone in the area. This, Turkey insists, can only be tackled as part of a wider agreement on disarmament.

Its policy on this question is one of the most conservative in NATO. It may have F104 aircraft equipped with nuclear weapons and it may be linked to the \$300m. NATO system (NATO Air Defence Ground Environment), but tucked away on the Eastern flank of NATO it feels extremely exposed. It is convinced that the loss of a few square miles of mountainous border on the Turkish-Russian border will generate an immediate and categorical response from the rest of NATO. Hence its proposal for siting nuclear mines on the border. And hence its present concern that it may not be fully considered in any proposals which may result from the visit of the Warsaw Pact of Mr. Manlio Brosio, the former Secretary General of NATO.

Continued on next page.

## Cooler thinking on Cyprus

By DAVID TONGE

IN THE last 16 years the Cyprus problem has split the Balkan Pact, brought Turkey and Greece three times to the brink of war, threatened the eastern flank of Nato, contributed to the overthrow of parliamentary government in Greece, and raised the possibility of Russian fleet visits to the island. And it still stands in the way of co-operation between Greece and Turkey.

To all appearances the dispute remains as far from settlement as ever, yet this summer Turkey and Greece drew closer than at any time since the Cyprus constitution broke down. A brief dialogue, started between prime ministers went so far as to moot the possibility of an eventual confederation. Relations have since cooled slightly, not least because of Turkish insistence that a permanent improvement can only occur once the Cyprus problem has been resolved. None the less the suggestion was important for its spirit, if not its substance. It reflected a growing realisation of the wider dangers raised by the dispute and the acceptance that this has more chance of being dealt with through co-operation than conflict.

The reasons for such co-operation are solid. Strategically, Greece and Turkey have identical interests, standing between Russia and its expanding to the warm seas and Middle East. Economically, they face similar problems. They run surpluses of the same export crops and have parallel relations with the industrial West. Both are associated with the EEC and both look to Europe for their future.

Even if the colonels have somewhat checked this process in Greece. In the past the deep-rooted differences between the races did not prevent them from living peacefully. The Greek Christians were long appointed to run Ottoman foreign policy and more recently, however serious the crisis, relations have always picked up. Only ten years after Greece had invaded Asia Minor, Turkey and Greece were going through a diplomatic Belle époque, exchanging visits and in some countries sharing representatives.

A lean period followed, caused by Turkey's protracted neutrality, but Soviet threats soon reminded both countries where their long-term interests lay. By 1954 understanding between them had recovered sufficiently for them (and Yugoslavia) to sign the Balkan Pact. Now a similar improvement has started, though has still to be consolidated.

On a government level the emotionalism has faded. The Greek Premier, Mr. Papadopoulos, knows that a flare-up in Cyprus is the one real threat to his domestic position, while Mr. Erim after taking power was to start contacts with him. The two have since put what pressure they could on their communist ties, but without much success.

of the present situation is that it is happening when Turkey election giving him 224 of the 450 seats in the Assembly, he is accepted the challenge of joining the ranks of the industrialised countries within an enlarged European Economic Community, albeit over 22 years. Turkey now needs a period of rapid and balanced growth coupled with the necessary changes in the economy and administration. A first step was taken in 1970 with the devaluation of the lira and accompanying measures. The Erim reform programme seemed a consolidation of these reforms remain unimplemented, the more difficult it will be to generate the momentum for reform which existed earlier in the year. Political uncertainties have clouded the investment climate and affected business confidence which has been reflected in a slower than anticipated growth in the economy. As shown elsewhere in this survey the economy will not come into its own until the political situation has stabilised.

They have less cards to play than they might seem. Archbishop Makarios can always appeal over their heads to the third world. The Turks may finance the survival of their community and the Greeks have 3,000 officers on Cyprus, but neither can afford to be accused of betraying their people.

### U.N. framework

The Archbishop's present position is that the inter-communal talks which have been limping since 1968 can serve no further useful purpose and that a settlement should now be sought within the UN framework. It is hard to see how such an approach could lead to anything. The Turks categorically reject it, largely because of the difficulties they have faced in the UN over Cyprus in the past. But they also feel that as long as the two communities totally disagree over whether the Turkish Cypriots are an equal partner in Cyprus or a simple minority they will not be able to agree to a compromise from outside. They thus favour the continuation of the talks, possibly with the participation of Greek and Turkish observers.

Continued on next page.

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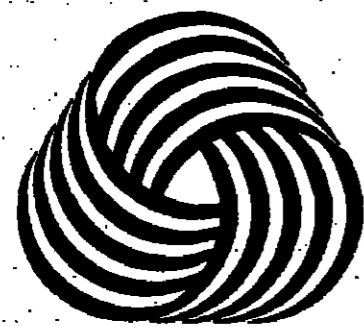
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## TURKEY III

# Economy under reappraisal

By ROBERT GRAHAM

This is a difficult time to the encroaching hand of State renewed inflation. It is hoped assess the Turkish economy. The control. For instance it is that the capital markets Bill Government is in the process argued that a logical extension now under preparation will go of a profound reappraisal of the of the desire to improve health some way towards achieving this end.

Deflationary measures after devaluation, the prospect of further taxation and the fundamental reforms contemplated have had an unsettling effect on the economy. Last year's GNP rose 5.5 per cent, 2.2 per cent short of the target and perhaps too low a level when it is remembered that the population is growing at 2.6 per cent a year and nearly 600,000 persons a year are entering the slack labour market. Agriculture has seen two bad harvests and a fall-off in investment which has produced a decline of 1.4 per cent in last year's growth. If this year's harvest turns out to be as good as it seems, the overall GNP should move ahead by about 8 per cent. (Agriculture accounting for 30 per cent of GNP). Other sectors affected by tighter money policy and new taxes have been construction and transportation. Some 30,000 construction workers were laid off last year and they have only now begun to be re-absorbed.

**Heavy expenditure**  
In order to implement these reforms heavy Government expenditure will be necessary and it will become of prime importance to have efficient economic management. Turkey has had a chronic budget deficit and in the past has relied heavily on foreign aid for investment and budgetary support. Roughly half the amount required to balance the budget comes from foreign aid. In 1970 it amounted to TL1,280m. (\$88m.) and this year will reach TL2,100m. (\$140m.). Meanwhile by the end of last year total foreign debt had reached \$2,521.5m. with outstanding interest of \$897.2m.

Given a general reluctance to incur further foreign debt, Turkey's main hope of finding the necessary funds will be to improve budget management, tighten the fiscal structure, create a capital market and trim existing projects. Budget management has not had the best of records in the past; for instance in 1969 a planned budget deficit of TL 600m. turned out to be in the order of TL 2,483m., which has forced the Government to resort to large-scale borrowing from the Central Bank. The authorities have not been helped by the performance of the State enterprises which have proved a heavy financial burden.

As far as tightening fiscal measures are concerned, a good deal of revenue is expected to be recovered by improved tax collection. In addition, over the envisaged at 52.6/47.4 during the second Plan, has in fact moved from 55.1/44.9 to 52.8/47.2 and is estimated at 50.6/49.4 this year.

The emphasis of the present programme is to inject new vigour into the public sector through improved management and credit systems and to extend its operations both in industry, mining and agriculture. Thus while the private sector is intended to play a very significant part, the public sector is intended to be the moving force. The Government has committed itself to nationalising lignite, borax and other strategic materials and seems intent on controlling all future extraction of minerals. It also seems anxious to acquire control of oil storage facilities and thus have a hold on marketing — currently the domain of foreign oil companies.

### Self-sufficient

The biggest change in policy, however, relates to agriculture, and here the Government has pledged itself to carry out a thorough reform of the land. Over 60 per cent of Turkey's 36m. population owes its livelihood to the land. Although in a good year the country is basically self-sufficient in food, staples except for wheat, the land is unevenly divided and often inefficiently farmed. There are too many small units—and a few disproportionately large ones.

The Government is embarking on a monumental task in what amounts to the reshaping of the basic unit of Turkish life, the village. The radicalism of these proposals has upset the private sector. The Government view is that it is carrying out an essential modernisation process which will make business more efficient; but the private sector sees

and he avoids ruling it out for the future. In March he talked of intending some day to return Cyprus whole and entire to the Greek motherland.

The Turkish side is less concerned by the content of this than over the steps the Archbishop may take to avoid having a solution imposed on him. They fear that he may try to aggravate relations between Ankara and Athens and that he may act on his threat to accept help from wherever necessary. This also have to apply the appropriate mix of monetary and fiscal policies to curb excessive demand and prevent undue deflation. This is bound to be an extremely delicate tightrope walk along.

In the last resort the progress of the economy will depend upon two vital factors: the right political climate which encourages investment—both local and foreign—and efficient economic management. To raise per capita income, which they must, the authorities will have to stimulate growth; yet they will also have to apply the appropriate mix of monetary and fiscal policies to curb excessive demand and prevent undue deflation. This is bound to be an extremely delicate tightrope walk along.

### Fixed investment

A further gauge of the slow-down can be seen in the growth of gross fixed investment. Against an 11.2 per cent annual target under the Plan, last year it was 5.9 per cent, and this year may be as low as 3.4 per cent.

Although the payments situation has improved considerably since the 1970 devaluation, there can be little cause for complacency. The trade gap widened last year from \$264m. to \$359m. and this year it will probably be of the same order. The biggest change has been in invisibles where remittances from workers abroad have begun to take advantage of the improved lire rate. Remittances from the 500,000 workers abroad was \$140m. in 1969 and last year it rose to \$273m. This year all the original forecasts have been revised and between \$450m. and \$500m. is expected. (It had reached \$342m. by the third week in September.) Obviously part of this increase is also due to the upwards valuation of the D-mark, Germany being where 90 per cent of the workers are employed. But it seems that the black market has virtually disappeared.

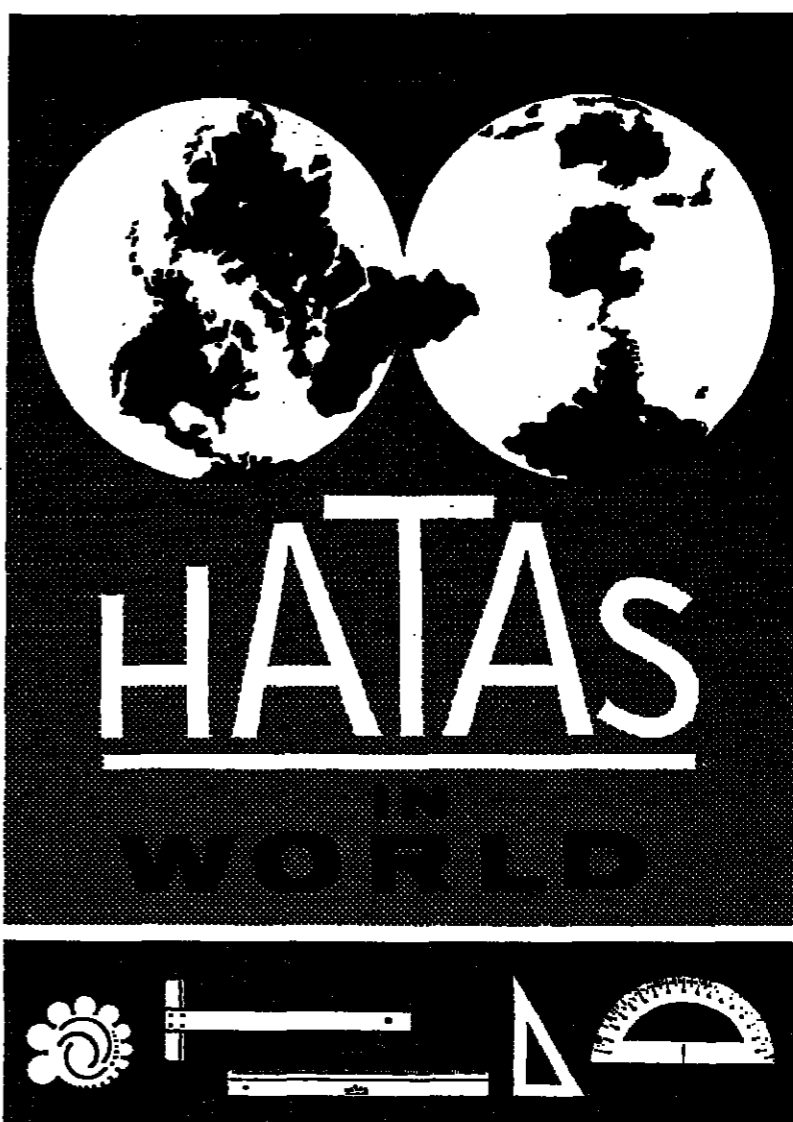
These workers' remittances are likely to create a current account balance for the first time in many years. However, in the future there are fears that the labour outlets in Germany will dry up and that remittances will level off. This means that for the overall balance of payments to remain healthy, Turkey must continue both to rely on substantial sums of foreign aid (about \$300m. a year) and to seek alternative methods of earning foreign exchange. Agricultural exports, with such valuable commodities as cotton, tobacco and nuts, should be able to take advantage of devaluation. Equally the new lire rate should encourage tourists—although here expansion depends upon the extent to which the Government is prepared to promote tourism.

### Tax effect

At the same time the new tax measures should have a dynamic effect on both industry and agriculture, forcing companies and businessmen to be more efficient. Compared with Europe profit margins are high and most businessmen acknowledge this. To provide a more coordinated attitude to both business practice and towards pay and relationships with employees, earlier this year the Turkish Industrialists and Businessmen's Association was formed (a sort of Turkish CBI).

Undoubtedly there is a new awareness that old ways must be changed and past mistakes must be remedied if Turkey is going to lay itself open to the full competition of European industry which it has now pledged itself to do following the signature of a protocol last November with the EEC. Turkey has a breathing space of 22 years before it becomes a full EEC member, but in order to be ready for the impact of this challenge the authorities have a formidable task. Turkey has sufficient basic resources and willpower. But this is not enough.

In the last resort the progress of the economy will depend upon two vital factors: the right political climate which encourages investment—both local and foreign—and efficient economic management. To raise per capita income, which they must, the authorities will have to stimulate growth; yet they will also have to apply the appropriate mix of monetary and fiscal policies to curb excessive demand and prevent undue deflation. This is bound to be an extremely delicate tightrope walk along.



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## TURKEY V

# Devaluation helps foreign trade

By NORMAN COVEY

Even though exports increased by only 7.3 per cent in the 12 months following last August's devaluation of the Lira, there can be no disputing that the 66 per cent change in parity was a successful move which should indeed have been taken at least a year earlier.

Thanks to the further injections of foreign current account aid in support of the devaluation deal and, particularly, to the enormous increase in remittances from workers abroad, Turkey's balance of payments position is sounder than at any time in the past two decades. At the time of devaluation, outstanding currency transfers in respect of imports amounted to some \$300m.; by the end of September this year net reserves of a roughly similar figure had accumulated, currency transfers were being effected within a few days and shortages of imported supplies had been completely eradicated. This does not of course mean that the policy of limiting imports to "essentials," basically raw and auxiliary materials for industry, capital equipment and spare parts and accessories, has been discarded. But it does mean that so far as these essentials are concerned currency allocations have been entirely adequate to meet real requirements.

In the year to July 31, exports earned \$604m., against \$563m. in the same period of 1969-70 and most of the increase was attributable to larger shipments of manufactured and processed goods. These were principally foodstuffs and textiles although the range of such exports is growing, as indeed it must if the foreign trade deficit is to be reduced to manageable proportions by the late 70s as is forecast in the current Five-Year Plan.

### Price control

It is unfortunate that the new Government's obsession with the prevention of foreign exchange losses through under- and over-invoicing saw the introduction in April of revised foreign trade regulations which undoubtedly lost a substantial number of export orders for Turkey. Free shipment price control formalities were responsible for a by no means negligible drop in exports during the second quarter of the year since delays on the part of the authorities made it impossible to meet promised delivery dates. These delays also resulted in the loss of a considerable amount of forward business, particularly

for new crop cotton at a time when world market prices were at exceptionally high levels.

Recently, formalities have been simplified and delays largely eliminated, but the Government's attitude towards the revised system of drawbacks (of the taxes and charges element of FOB prices of manufactured and processed goods) introduced in August, 1970, continues to hinder exporters' efforts. These drawbacks do not appear to be applied universally and a promised review of the system has still to be undertaken. Meanwhile, the maximum potential of Turkey's export production cannot be realised, although there are other factors, too. Whereas the traditional export crops are in competent hands, few manufacturers have the experience or the resources to undertake export market research and promotion or the volume of business to warrant the setting up of their own export departments. A few export and confirming houses have been founded during the past year or two but more are needed and there would seem to be opportunities for joint ventures with foreign houses which could contribute the benefits of an existing multi-country sales network.

Turkey's associate membership of the EEC, effective so far as trading arrangements are concerned, from September 1 of this year, has brought new opportunities in the shape of the removal of tariffs from almost all her manufactured exports and concessions on a wide variety of agricultural produce; already, in both 1969 and 1970, the Common Market took 40 per cent of total exports. Competitive prices following devaluation have begun to reduce the percentage of total exports going to the Comecon countries, with which Turkey trades on a soft currency or "clearing account" basis; in recent years, an average of some 20 per cent of all exports went to Eastern Europe. Special efforts are being made to increase exports to the Arab countries, and to Iran and Pakistan, Turkey's partners in RCD (the Organisation for Regional Co-operation in Development). But the similarity of the economies of these three countries is a natural barrier to any immediate increase of importance in inter-RCD trade and thus to the repeated proposal of Pakistan that Turkey, Iran and Pakistan should form the nucleus of a

Muslim countries' "common market."

Imports during the 12 months ended July 31, totalled \$1,042m., an increase of \$93m. over the same period of 1969-1970; in terms of imports from Turkey's own resources, however, the rise was of almost double this figure because the total included less imports against project aid and PL480 Grants. In the first half of 1971, "free list" "Global Quota" and bi-lateral agreement country imports totalled \$489m., \$127m. more than in the first half of 1970. Much of this increase is accounted for by the completion at the end of 1970 of settlements of outstanding currency transfers in respect of orders placed up to a year previously.

This, together with increased Global Quota allocations for a number of items, has meant that a high rate of imports has been maintained since June, too, although more than adequate supplies of some imports has resulted in some orders being postponed.

Within the limits of the present lists of permitted imports, however, foreign exchange revenue and reserves should be perfectly adequate to rule out the likelihood of import payment difficulties in the next few years. At the same time, the number of individual importers will almost certainly be reduced as a result of the provisions of the new foreign trade regulations issued in April. These are designed to favour the more viable import concerns at the expense of the hundreds of small firms which mushroomed at the time of acute currency shortages and were far more interested in trading in import licences than in using them for their own account. Revised credit policies have also favoured the serious importer even though the manufacturer importing raw materials, etc. for his own use continues to have an overall priority in this respect.

Import price controls, as introduced at the end of April, resulted in delays of two months or so in the issue of import licences but the system has recently been revised and delays reduced. Nonetheless, the authorities have not discarded the basic principle that importers must buy from the cheapest available source and there remain cases where quality and other factors are not being taken into proper account. The controls as applied to commodities such as

rubber which are subject to rapid world market price fluctuations are also unsatisfactory and appear in some cases to have resulted in "unofficial" currency settlements, the very thing which price and currency controls are of course aimed against. In all probability, however, these and other difficulties will be overcome once more experience has been gained.

All import licence applications have to be accompanied by a cash guarantee at rates varying from 1 to 50 per cent of the countervalue of the application. Guarantees are not refunded until completion of the import transaction and closure of the relevant foreign exchange account with the Central Bank. In the past, these deposits have been used as an application regulator, with rates of up to 150 per cent of application values; an increase in the present rates is likely should demand for licences become excessive.

### Local sources

As has already been stated, there is little likelihood of the present restrictions on imports being lifted in the foreseeable future; indeed, the previous policy of prohibiting imports of any item which becomes available from local sources in adequate quality and quantity will continue to be pursued. But sight should not be lost of the fact that the removal of a product from the "importable" list almost always opens up a market for the raw materials or components needed by the new Turkish producer.

It will probably be several years before Turkey's associate membership of the EEC brings about any important change in established import patterns but the initial tariff concessions mean that in a number of items the Common Market countries already have a useful advantage. During the past year, Japan has paid increased attention to the Turkish market and has granted substantial long-term project credits which are bound to bring increased trade in their wake. Canada's trade share, although still small, has increased rapidly in the past two years. Turkey's exports during the next 12 months will grow steadily rather than spectacularly; no important overall increase in imports is likely but competition will become stronger and quality, terms and deliveries more important.

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## Changes in banking

By BULENT YAZICI, Chairman, Akbank T.A.S.

Any analysis of developments in banking during 1970 and 1971 must begin with a review of general economic conditions during the period. For this purpose, the period can be divided in two parts. The first period ends with the devaluation of August 1970 and thus should be called the pre-devaluation period. The second period begins with the devaluation and ends at the time of the writing of this article.

The main characteristics of the pre-devaluation period were acute balance of payment difficulties and restrictive monetary policies to dampen overall demand. The balance of payment difficulties caused great accumu-

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doing in Turkey? This is a question we never ask ourselves. Since 1967 when we first came to Turkey, we knew that we had to work hard to satisfy a huge demand, by supplying telephones, telephone lines and switchboards. Our motto was "Telephones for Turkey" and in those few short years, we supplied half as many lines as there was before we came in. Today, roughly 150,000 homes have telephones, bearing our name and many different cities are using our switchboard equipment. Through our Turkish affiliate, Northern Electric Telekomünikasyon A.Ş., which is jointly owned by the Turkish PTT and ourselves, we are trying to manufacture all we can in order to improve the country's telecommunications problems. We know that there is no quick answer and it is a long term problem. That's why we are in Turkey and we know what we are

### doing in Turkey

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lation of unfulfilled foreign exchange remittance commitments amounting approximately to \$300m. thus creating shortages in imported commodities and industrial raw materials. To combat the balance of payment difficulties and reduce import demand, restrictive monetary policies were followed. On the other hand, fiscal policies followed during the year resulted in a cash surplus in the national budget. These policies had the result of restricting investment activity while prices increased at a slower rate than the previous year. Shortages of raw materials and spare parts influenced industrial production.

In August, 1970, the long-delayed decision to devalue the Turkish Lira was taken. The par value was changed from TL9 against the dollar to TL15. Parallel to this decision, the finance bill of 1970 was put into force. This bill attempted to slow down the unbalanced growth of the construction and of the automotive sectors. These two sectors were heavily taxed. Monetary measures were relaxed, and the percentage of import deposits were drastically reduced. The maximum rate of interest payable to term deposits was increased to 9 per cent, and the maximum lending rate of the banks was increased by 1 per cent and the rediscount rate of the Central Bank by 11.3 per cent.

### Rapid increase

An attempt to reform the civil service code and salaries coincided with these measures. Salaries and wages of government workers were increased by an amount which corresponded to approximately 5 or 6 per cent of the Gross National Product.

As a result of these measures, the post-devaluation period has shown tendencies that are quite different from those before devaluation. The first result of the devaluation was a rapid amelioration of the balance of payment situation. The main factor influencing the balance of payments was a very rapid increase in the remittances of Turkish workers residing in Western Europe. The increase is at the rate of around 150 per cent. Exports also increased, particularly manufactured goods. The scheme of Turkish Lira deposits convertible into foreign exchange, where the foreign exchange risk remains with the Turkish Central Bank, also has been an element in favour of the Turkish balance of payments. As a result, the Turkish foreign exchange reserves that were at a bare minimum before the devaluation, climbed rapidly. All deferred remittances were promptly executed and the foreign reserves in hard currencies and gold of the Central Bank reached the amount of \$532m.

### High levels

On the other hand, the greater transfer of income to the Civil Service mentioned above and labour contracts concluded in industry after the devaluation and the rapid increase of workers' remittances to their families residing in Turkey created a great rise in the purchasing power of the consumers. The exceptionally good weather conditions made possible a record crop for 1971. Especially cereal and cotton crops reached very high levels, thus on the one hand increasing farm incomes and on the other hand offering a greater volume of commodities. The 1971 budget, in its first six months of application, is showing a cash deficit. The result of all these factors combined has been a rapid increase in prices. The wholesale price index increased by 23 per cent between July, 1970, and July, 1971. There has been an important increase in the volume of money in the post-devaluation period.

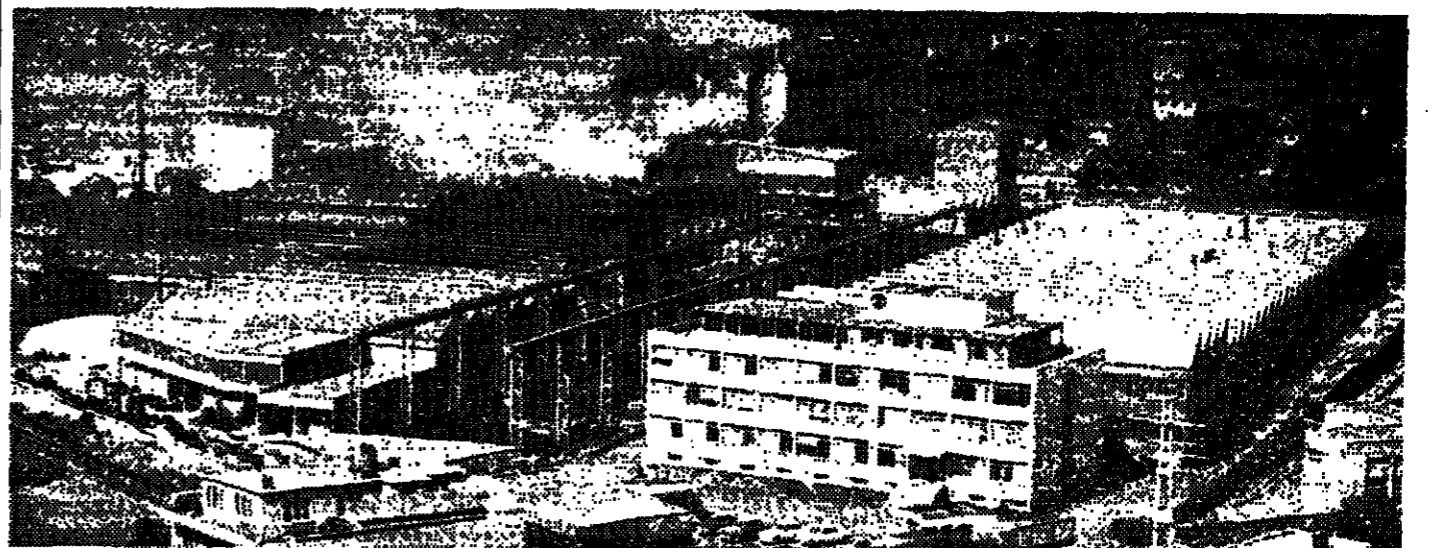
The early months of 1971 created a "wait-and-see" attitude in the private sector of the economy. The result of this attitude has been a noticeable reduction in investment in the private industrial sector. The Finance Bill of 1970, by heavily taxing construction and real estate, has also caused a severe drop in investment in construction. This reduction in investment activity in the construction field was more than anticipated by the drafters of the Finance Bill and is being remedied through a new bill. The reduction in investment expenditure from the National Budget and loans to the State economic enterprises from the State Investment Bank during the current year indicate a slowing down of public investment.

Restrictive monetary policies followed during the pre-devaluation period had its effects on the

Continued on next page.

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## TURKEY VI

## Association with the EEC

By NORMAN COVEY

Turkey's ties with the EEC began with the coming into force on December 1, 1964, of a "pre-association" agreement which gave Turkey tariff concessions on annually fixed quantities of four of her principal exports (tobacco, hazelnuts, sultanas and figs) and an EIB development credit line of \$175m. An agreement on Turkey's associate membership, to lead to full membership after 22 years, was signed on November 23, 1970 and, pending ratification of this by all seven countries, an interim agreement of July, 1971 gave effect to the commercial terms of association from September 1 of this year. When the 1970 agreement is ratified, Turkey will also benefit from a new \$190m. EIB credit, which may be disbursed over a period of five years.

With a few exceptions—refined petroleum products in excess of 200,000 t.p.a., cotton yarns not prepared for retail sale, some cotton piece goods and machine-made carpets—all Turkey's industrial products now enter the Common Market tariff—and restriction-free; tobacco and retail-packed sultanas are similarly treated and a wide variety of agricultural produce benefits from generous tariff reductions. Turkey has a period of 22 years in which to adjust her agricultural policies to those of the EEC, whereafter her produce will all enter the Common Market tariff-free. Tariffs on the four remaining industrial exports will be demolished in 12 years.

## Tariff barriers

Turkey will remove her tariff barriers to imports from the EEC in two stages: on some 500 categories of goods and products within 22 years, on the remainder within 12 years. On the basis of the tariffs in force on November 23, 1970 (and in a number of cases these had been raised the previous day), the items on the 22-year list have benefited from a 5 per cent. reduction and the remainder from a 10 per cent. reduction, since September 1. At the same time, stamp duty on EEC import licences was reduced from the standard rate of 10 per cent. (of CIF values) to 9.5 and 9 per cent., respectively.

Also from September 1, Turkey consolidated as "free

imports from the EEC" such items as together represent turnover 35 per cent. of her total imports from "The Six" in the year 1967. This list of goods, for which import licences will, in principle, be freely issued, will progressively be expanded but it will not be contracted. Turkey has also undertaken to provide minimum annual quotas for the EEC countries for any items which she may transfer from her present generally applied "free imports" lists to "Quota." Consolidated Free Imports From The EEC comprise over 500 tariffs and tariff sub-sections, all but 100 of which are also included in her current, general

"free imports" lists; with a few minor exceptions, the remaining items are included in the lists of imports subject to Global Quota—if imported from elsewhere than the Common Market.

Taking all factors into consideration, the present tariff reductions give the EEC countries an advantage which probably averages about 1.25 per cent. but in many cases it is less than 1 per cent. and in others more than 3 per cent. of landed costs. The present tariff reductions are valid until September, 1973, when they are due to be raised to 10 and 20 per cent. respectively. At the same time, additions will be made to the "Consolidated

Free Imports List" and Turkish manufacturers will no doubt begin to feel the weight of Common Market competition.

In the six years 1965-70, Turkey's imports from the EEC averaged just over one-third of the national total and, taking into account current prices in the EEC countries, no important increase in this market share is likely to be registered in the next two years. At the same time, however, the concessions to "The Six" will inevitably make Turkey a still more price-conscious market. There will probably be a small, but marked, rise in Turkey's own exports to the EEC; over

the past six years these countries accounted for an average of 36 per cent. of all exports, and for 40 per cent. in 1969 and 1970.

In the association agreement proper, there are of course "escape clauses" for both parties but the less recourse which is made to these, the sooner Turkey's own industries will be forced into more rational, competitive production. On the other hand, it seems probable that with the expected admittance of the United Kingdom and other countries to the EEC, Turkey will wish to negotiate modifications to her present agree-

## Trade with Britain

By NORMAN COVEY

Britain is Turkey's oldest trading partner, the records showing that regular exchanges began during the reign of Queen Elizabeth I. In spite of year to year fluctuations, the United Kingdom has during the past two decades maintained position as the third most important supplier of Turkey's imports and buyer of its exports, after West Germany and the U.S.

During the period 1963-70, the first eight years of application of Turkey's Development Plans, imports from and exports to the U.K. averaged, respectively, 11.2 and 8.4 per cent. of the overall totals. Last year, some ground was lost, imports from Britain being valued at \$90.8m. (8.6 per cent. of the total), compared with \$94.6m. (11.8 per cent.) in 1969, but the returns for the first half of the current year showed a 20 per cent. improvement over the corresponding period of 1970. Even so, trade with West Germany has continued to increase and while that with the U.S. has waned, Italy is fast approaching Britain's trade share. Turkey's associate membership of the EEC, effective from September 1 of this year is a further reason why, for British exporters, there is no room for complacency so far as the growing Turkish market is concerned.

British manufacturers are not always as ready as their competitors to meet the sometimes non-standard specifications issued by would-be Turkish buyers and there is a tendency on their part to place too much emphasis on the payments and other difficulties of the mid-1950s. The fact that these were eventually overcome and that, to-day, Turkey is in a position to pay her way is too often overlooked. At the same time, this is becoming an increasingly competitive

market which merits regular visits and necessitates the appointment of first-class agents capable of keeping their principals abreast of constantly changing regulations and trading conditions.

## Import lists

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pany Ltd. During the Royal

Visit to Turkey, Prince Philip

will be visiting the bridge site

where work is already ahead of

schedule.

Other major projects which

have benefited from British aid

in recent years include a steel

pipe mill and Turkey's first

petrochemicals complex J. & P.

Coats were one of the first

investors to take advantage of

the Law for the Encouragement

of Foreign Capital Investors and

BLMC has a substantial invest-

ment in what is to-day one of

the most important commercial

vehicle and tractor producing

companies in the country. More

than a score of British com-

panies have made licensing

agreements with Turkish manu-

facturers and this is a field

where there is almost unlimited

scope for Britain.

British quality remains a

watchword throughout Turkey

and while the present system of

price controls is not always con-

ducive to business based on

quality it behoves British manu-  
facturers to ensure that proper  
representations are made in this  
respect. Indeed, this is but one  
of the many reasons why the  
difficult but now sound and ever-  
expanding Turkish market must  
be regularly visited by senior  
British export executives.

Britain was the first country  
to appreciate the potential of  
Turkish cotton; exports rose  
rapidly during the 1950s and  
1960s and the U.K. remains one  
of the largest buyers of what is  
to-day Turkey's principal cur-  
rency-earning crop. Other im-  
portant exports to the U.K.  
include sultanas, hazelnuts, figs  
and mohair. Progress has been  
made with the export of manu-  
factured goods to Britain and  
in several fields there is a poten-  
tial which would repay closer  
investigation by U.K. buyers.  
It is noteworthy that the first  
investment abroad to be autho-  
rised by the Turkish Government  
was last year made in a London  
bottling plant and distribution  
centre for Turkish fruit juices.

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مکتبہ المشرق

## TURKEY VII

# Good season for farming after two lean years

By NORMAN COVEY

This year's exceptionally good crop out-turns could scarcely have come at a more propitious time. Substantially increased agricultural growth will go a long way towards offsetting the slow progress made in other sectors since the beginning of the period of near-anarchy which brought about the military's intervention on March 12.

Although agriculture is the livelihood of over 60 per cent. of Turkey's 36m. population it seldom provides more than 30 per cent. of the GNP and contributes less than 1 per cent. of the total revenue from direct taxation. Nevertheless agricultural products are responsible for 80 per cent. of exports, the most important being cotton, tobacco and nuts.

During the period from 1963 when the first 5 Year Plan came into effect, to 1970, the agricultural growth rate averaged only 2.47 per cent. p.a., compared with a target of 4.2 per cent. p.a.; in the same period the average GNP growth rate was 6.5 per cent. p.a., against a target of 7 per cent.

## Veritable glut

This year's agricultural growth rate may be as much as 7.5 per cent. and, thanks especially to a veritable glut of cereals, will anyway be the best recorded since the record 11.4 per cent. registered in 1966. But satisfaction over this achievement must be tempered by realisation of the fact that over the past 20 years there have been only five "good" years for agriculture. For the rest, harvests have been either poor or only fair, and unfavourable climatic conditions cannot entirely be blamed for this irregular pattern. During the first Plan period (1963/67), fixed investment in agriculture amounted to only 15.5 per cent. of the national total, against a forecast of 17.7 per cent.; in practically every other sector targets were improved upon. In the first three years of the second Plan the pattern was similar. Plan objectives are being reviewed by the present Government, however, and while total fixed investment has been low so far this year there is reason to expect that from 1972 greater emphasis will be placed on what, nationally, will remain for several decades the most important sector of the Turkish economy. On the one hand the still rapidly growing population (rising by some 2.6 per cent. p.a.) has to be fed and on the other new export crops have to be developed.

After years of procrastination successive governments the

thorny problem of land reform is now being tackled. The first relevant Bill, recently submitted to Parliament, is aimed at placing an overall limit on the size of individual landholdings, granting landless farmers land of their own, ensuring the best possible use of all arable land, preventing the further fractionalisation of holdings as a result of the inheritance laws and encouraging co-operative farming and produce marketing. At the same time it is proposed to introduce punitive rates of taxation on land which is not made productive. Some 32 per cent. of Turkey's 78m. hectares of land area is cultivated; this percentage has varied little during the past decade and it is doubtful whether it could in fact be increased since large areas of very poor land are already in use. Thus optimum use of the existing cultivated area is the key to increased variety and volume of output.

The system of Government-guaranteed minimum prices for the principal crops will probably also be extended. It is expected, too, that a more selective quality policy will be applied in this respect; the previous (Demirel) Government made a sound start in this direction by applying price guarantees for tobacco and tea only to good quality crops grown in specified areas. This has resulted to some extent in reduced output of low-grade produce, but still finer limits need to be imposed if unsaleable surpluses are to be avoided. Over 100,000 tons of old-crop tobacco and scores of tons of mostly inferior quality tea are already in the State Monopoly's warehouses. Several exceptionally good sultana crops and the abolition of Turkey's instigation of the International Agreement on Sultana Market could bring about another, if temporary, disposal problem so far as hard currency markets are concerned.

At the same time, more guidance and incentives need to be given to the farmers if they are to diversify their crops and

put greater emphasis on new crops which have the greatest export potential.

Already tomato growing has increased several-fold to meet the needs of the numerous newly established tomato paste plants; within the next two years or so Turkey should be exporting 50,000 tons p.a. A \$25m. World Bank credit has been obtained in support of a \$44m. scheme to improve and increase production and exports of citrus and fresh fruit and vegetables. Other crops suitable for processing locally and export need to be developed and efforts must be made to "grow to order."

## More receptive

In recent years the traditionally conservative Turkish farmer has become much more receptive to new technologies and systems but he still needs to be educated into these, a task with which the State, assisted by various international agencies, has made considerable progress. The use of fertilisers, for instance, increased from a mere 430,000 tons in 1963 to over 3m. tons this year; the tractor park increased from 44,000 units in 1963 to well over 90,000 at the end of 1970.

While much still needs to be done, the land area under irrigation is increasing by an average of over 100,000 hectares per annum; it is estimated that, to-day, approximately 10 per cent. of the sown area benefits from man-built irrigation works.

Considerable progress has also been made with seed selection and the distribution through State agencies and co-operatives of seed types proven to be the most suitable for the widely differing climatic and geographic areas of the country. Numerous varieties of hybrid wheat have been tested in recent years in an effort to raise yields which averaged only 1,180 kgs/hectare between 1963 and 1969. A

another sector which has been

neglected. The present livestock population is of some 75,000, including 36,500 sheep, 20,000 goats and 14,000 cattle. The eastern regions of the country are, as a whole, the best suited for animal husbandry although the Black Sea, Aegean and southern regions are also of considerable importance. Disease has been brought under control but the inadequacy of forage crops and, in the absence of stable meat prices, farmers' reluctance to use prepared feeds on any important scale have generally militated against any basic improvement in livestock standards. The State farms, which introduced artificial insemination a few years ago, have nevertheless done much useful work in this direction; but milk and meat yields are extremely low by West European standards. The World Bank has now granted a \$4.5m. credit line for livestock development; this should enable the import of some 4,000 head of breeding cattle, chiefly for the dairy sector, and the setting up of a nucleus of modern cattle farms. Considerable technical assistance will also be provided and it is anticipated that further IBRD credits will follow in due course. Meantime, an average of some 450,000 head of cattle, sheep and goats are being exported annually, mainly to the Middle East, and nominal quantities of meat are regularly being shipped to Greece and other nearby markets.

## Higher priority

In virtually every sector of agriculture there is enormous potential for development but the extent to which this can be exploited is dependent upon the sector as a whole being given a still higher priority than in the immediate past. The indications to-day are that this will be given; land reform is indeed important but so, too, are more finance, the streamlining of the existing co-operatives into economically more viable units and increased technical assistance for the farmers. Marketing arrangements also need to be overhauled and improved and, in particular, further efforts should be made to ensure that the farmer does not have to resort to forward sales to unscrupulous middlemen in order to meet his between-season financial commitments.

## Land reform gets high priority

By ROBERT GRAHAM

In deciding to tackle land reform, the Government has chosen to act in an area which contains all that is most conservative in Turkish life and

which affects the majority of the population. Any move to alter the existing status quo in the agricultural system, however much its present inadequacies may be admitted, is bound to be controversial. The Erim Government, it seems, does not intend to go in for half measures. It intends to transform the whole system from top to bottom, from land tenure through to agricultural credit; and as a result can expect to meet some fairly stiff opposition.

Land reform has been given top priority by the Government because it is now realised that unless a determined drive is made to improve agricultural incomes, the overall growth of the Turkish economy will suffer. Due to poor harvests over the past two years agricultural income has failed to grow and in most cases has declined. In effect the annual income of two-thirds of the population still depends in large part on the hazards of weather.

This particular aspect of the agricultural scene, it is hoped, will be remedied in the near future. A series of dams have been built and irrigation networks have been improved or are under construction. Better use of fertilisers is also beginning to have an impact and more land is being brought under cultivation while soil erosion is being checked.

## Small unit

The real problem lies buried in a vicious circle of neglect, lack of finance and conservatism which has accelerated the growing gap between urban and rural incomes and encourages a flight to the towns. In 1965 it was estimated that 54 per cent. of the rural population lived in villages of between 150 and 500 persons, and only 9.8 per cent. in villages of over 1,000. Because the average village thus consists of such a small unit, infrastructure has often been neglected, education is inferior to that in the towns and social services inadequate. This is reflected, for instance, in high mortality rates, low literacy levels and the very small number of villages which enjoy electricity (10 per cent. of the villages and 40 per cent. of the population).

In a sense these problems almost need to be solved before tackling land reform proper, certainly the two are closely inter-linked. The Government has realised this and is directing a major effort at improving village life—which for the most part still operates on a closed circuit economy. Dr. Cevdet

## Without title

The most contentious area in the proposed land reforms is redistribution of property. Large landowners have some 10 per cent. of the land and enjoy an annual per capita income in the region of TL49,750 while the major portion of those on the land have tiny plots and income in the order of TL485 to TL400. Ownership is frequently without title (which makes the banks reluctant to grant credit) and inheritance has caused uneconomic subdivisions. The importance of redistributing the land is emphasised by the Government who point out that the landless are increasing at the rate of 4 per cent. a year and that with improved methods of farming employment opportunities will decline unless new land is found. There is talk of restricting ownership to 1,500 acres of non-irrigated and 350 acres of irrigated land, but it is not clear how this will operate. Inefficient farmers may be penalised and their land redistributed, but the fate of the big landowners is still not clear.

Those who receive land under this redistribution will be formed into co-operatives, the co-operative being considered the best unit through which agriculture can be controlled. In particular the authorities consider that it will be easier to grant and account for credit. One of the difficulties encountered at present is that farmers have bad credit records. This is not entirely their fault for credit has been given almost exclusively on a short term basis (often from year to year) and the farmer simply cannot cope with loss of income from a bad harvest.

The co-operative would also offer a more dynamic marketing outlet. At present small farmers incur unnecessary losses through inadequate marketing and their heavy dependence upon middlemen. According to Dr. Aykan, middlemen take 20 to 30 per cent. of the price paid to the producer on fruit and vegetables. Finally the co-operative backed with State funds offers a chance to promote a more rational development of

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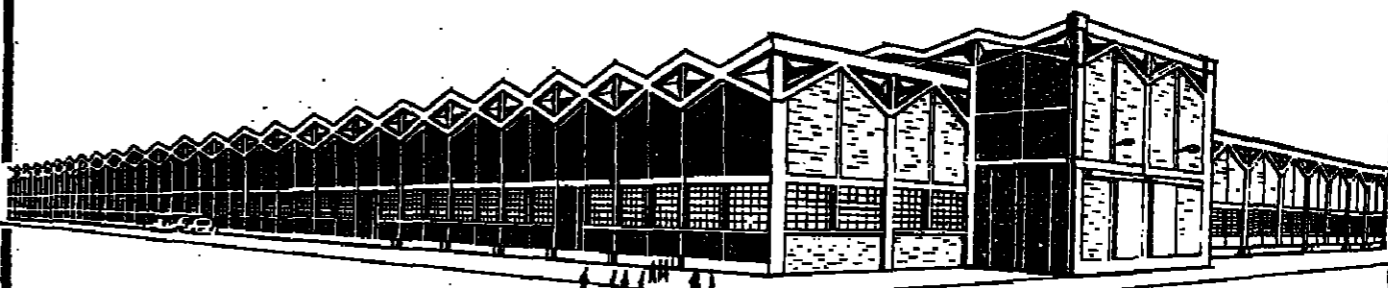
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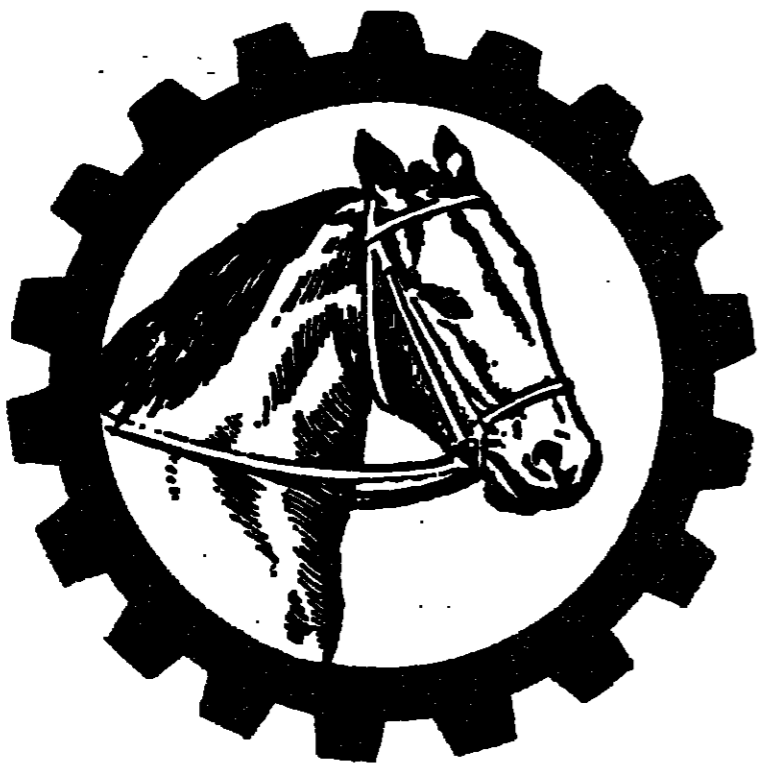
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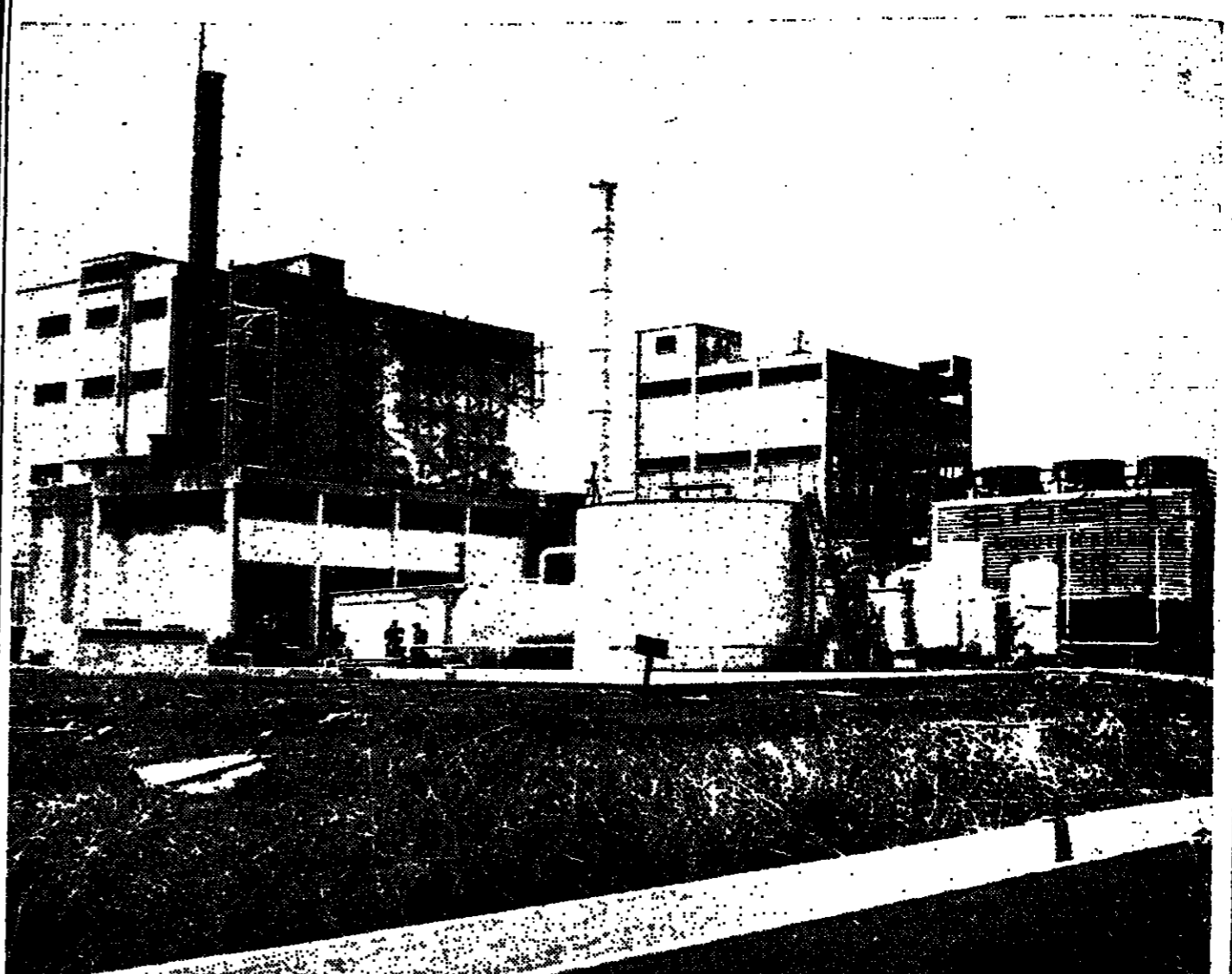
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## TURKEY VIII



A polyester staple fibre spinning and processing plant at Adana, which was built for SASA by Sim-Chem, a Simon Engineering company.

## Impressive rate of industrialisation

By HALUK CEYHAN, Secretary General, Turkish Economic Development Council

Turkey, still in her infancy so far as industrialisation is concerned, has, since the 1960s, achieved a high rate of industrialisation: now her industrial capacity represents 1.5 per cent of that of the Common Market.

Turkey only began industrialisation plans in the 1930s. The leading role in the process was played by State economic enterprises which have proved in many fields, such as textiles and metallurgy, to be the leader over private enterprise. However, as in every country these enterprises have been unable to overcome inherent problems common to many State organisations—a factor which has affected industrial production. State enterprises to-day produce some 30 to 40 per cent of Turkey's industrial production.

After Turkey entered her planning era in 1963, more importance was attached to industrialisation, and industrial production increase has reached a very high level measured by world indices, occupying the third place after Japan and Italy. The 1967 industrial index at 230 is higher than France's 152, Italy's 218 and Greece's 210. But, in spite of this speedy development, at the end of the first Five-Year Plan in 1967, the planned-for 12.3 per cent growth has not been reached; the average annual growth stood at 9.7 per cent.

### Increasing share

The share of industry in the economy of the country is increasing. In 1962 agriculture had 49.8 per cent of the GDP, 41.2 per cent in 1962 and 25.4 per cent in 1970. Industry had 12.2 per cent in 1962, 16.8 per cent in 1967, and 18.0 per cent in 1970; the share of services has risen from 38.0 per cent to 46.6 per cent during this period. It can be seen that the smaller role of the agricultural sector is being compensated for

by a larger share from the services and the industrial sector.

Together with further growth in industry, there has been a shift in its structure. For the moment consumer goods occupy a large place, and it has to be pointed out that industries dealing with secondary goods are also developing fast.

This change is normal for developing industry. In Turkey, industrialisation began with the production of consumer goods. As a second stage, the production of secondary goods started and development is even being made in the capital goods industries.

In general, Turkish industry, which has been protected by imposing customs and import restrictions, was founded entirely with a view to supplying the internal market.

Owing to balance of payments deficits which have afflicted Turkey for many years, imports have always been restricted. The new industries have, in general, developed from branches in which imports restrictions are being felt. According to 1969 figures, a total of \$7,500m. worth of industrial production met 85 per cent of the country's requirements. Such a situation, which is very comfortable for the industrialist, has not forced him to find foreign markets. For this reason industrial production exports remained as low as 4.4 per cent. In fact, development plans have not imposed requirements for all goods to be produced in Turkey. The aim was to enter spheres where we have international advantages. But the difficulties arising from shortages of foreign currencies and that the fact that the requirement has to be met locally caused such a deviation.

New industries which began developing in 1970 are clothing production, metallurgy and ship-making, chemicals and petrochemicals. In fact, development in the chemical industries has

not proved satisfactory and efforts are being made to establish new basic chemical product installations and to develop resulting by-products.

Meanwhile, the aim of the third sector of industrialisation—the capital goods industries—is to develop the engineering industry. There are various reasons why the aims of the plan on the capital goods industries have not been reached. Among the most important are the continued need for heavy investment, lack of technical know-how, management difficulties and the narrowness of the internal market.

An important problem of industry is to obtain know-how licences—and to make use of them. Many firms are trying to obtain them from industrialised countries. Foreign capital is one way to obtain know-how and licences and there is a very liberal foreign investment law in Turkey. Nevertheless, during the past 15 years, application of the law has not brought in enough foreign investment to be of great importance to the economy. It is hoped that by entering the Common Market, the flow of foreign capital would be increased.

There is no doubt that, in the international field, branches where Turkish industry will be competitive will be those which require extensive manual labour and where science has less to do with the production techniques. Owing to measures taken by the Government to encourage the export of certain goods, industrialists, too, are beginning to become export orientated. Thus, goods exported, they have begun to be more businesslike. This bodes well for the future when Turkey will take its place in the Common Market. However, certain declarations by the Foreign Government and some steps taken after March 12, have not inspired confidence in the business world and industry is now going through a period of uncertainty. It is hoped that this uncertainty will soon end and that industry will once more pick up its rapid growth.

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## Land reform

—(Cont'd)

Continued from previous page regional agriculture. For instance one of the remarkable features about the Turkish rural community is the way that roughly 30 per cent live in or on the edge of forests—yet very little attempt has been made to develop forestry. As early as 1965 when the second Five-Year Plan was being prepared all the various problems were bluntly stated and solutions were proposed. However, the agricultural sector investment has fallen behind during the Plan and if a spirit for change existed the Government side. The will now exists and success really depends on the extent to which the Government and its opponents can co-operate. If reform is not properly carried out, a number of problems will begin to pose themselves in an acute form in the next five years. The most important of these is the drift to the towns. The rural population increased at the rate of 1.7 per cent a year between 1960 and 1965 and in the 1965-70 period dropped to 1.5 per cent. During the same two periods the urban population was 4 per cent and 6.3 per cent respectively. These two current growth rates reveal a staggering imbalance and are likely to grow further. Between 1960 and 1970 Istanbul's population moved from 1.4m. to 2.2m. and that of Ankara from 0.8m. to 1.2m. When statistics such as these are quoted it is perhaps easier to realise why the Erim Government and the military leaders are in a hurry to reform.

### CHANGE IN INDUSTRIAL STRUCTURE %

	1962	1969
Consumer goods	67.8	54.9
Food, drinks, tobacco industries	40.5	38.4
Textile and clothing industries	27.3	16.5
Secondary goods	17.1	30.7
Paper, rubber, and others	2.0	6.0
Chemicals	6.8	5.4
Construction goods	2.7	6.1
Iron and steel and metallurgy	5.6	7.2
Petroleum products	—	6.8
Capital goods	12.9	14.1
Metal working	6.9	4.1
Engineering	2.9	4.7
Motor industry	3.1	5.3
Others	2.2	0.3

not proved satisfactory and efforts are being made to establish new basic chemical product installations and to develop resulting by-products.

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## TURKEY IX

## Motor firms face tougher future

By HALUK CEYHAN, Secretary General, Turkish Economic Development Foundation

As a result of continuous import problems, the Turkish motor industry was established after 1956 as an import substitution industry. It developed rapidly and became the second largest sub-sector in terms of employment after textiles; but it still produces only 4-5 per cent of the total industrial output.

Nevertheless the industry has played an important role in developing auxiliary industries. To-day there are more than 400 enterprises working for the industry. The ratio of domestic production in the Anadolu model has reached 65 per cent, the same ratio is still low for the newly established Fiat and Renault. A ratio of 55 per cent has been realised for tractors, trucks and pick-ups, and 75 per cent for buses. As yet engines are not being produced within the country.

At the beginning of 1960, there were three enterprises occupied in general truck assembly. To-day, after what has been a rather unsuccessful policy there are 15 firms producing a total of 25,000 trucks, pick-ups, buses, and 46,000 passenger cars. Obviously this small capacity distributed among 15 enterprises reduces the efficiency of the industry. For instance it has meant that too many different types and brands are produced in the country, causing serious problems in the provision of spare parts. Additionally, the need to keep a relatively greater stock of spare parts, and the increase of service channels are becoming means of waste for the national economy.

It was foreseen in the Development Plans that this industry should gradually be established, first starting from assembly lines, then bringing it to the point of using the optimal ratio of domestic parts and components. This would have been possible only if two or three companies had been permitted to operate in the country and if a tight control had been imposed over the programme of "usage of domestic parts."

## Domestic parts

From the start, failure to exercise effective control of the situation has meant that there has been substantial imports of parts instead of complete units. After 1966, however, through a firm policy of not issuing new licences and of taking effective measures for increasing the ratio of locally made parts, finally the industry has been somewhat put under control.

There are three passenger car plants which produce under licence. The Ford Cortina has been restyled with a fibreglass body and is being produced as the Anadolu by the Otosan company. Also the Fiat 124 is being produced under licence by Tofas and the Renault 12 by Oyak. Although there are only three saloon car plants, there are 11 producing trucks, mini-trucks and buses. Otosan produces Ford trucks and mini-buses; Chrysler produces Dodge, Desoto Fargo trucks and mini-trucks; BMC Austin Morris produces trucks and large enterprises. Some of the leading ones are given



Textile plant at Adana.

buses are made by Otomarsan, Bedford trucks by Genoto, Leyland trucks by Tasit Sanayi and Skoda mini-trucks by Celik Montaj.

As far as tractor assembly is concerned, five companies are involved, producing McCormick, Nuffield, Fiat, Ford and Massey-Ferguson models. Production in this sector has increased sharply—in 1965 there were 6,383 units produced and in 1969 there were 13,645. However, demand has remained unsatisfied and the quantity of imports has continued to rise. For instance, over the same 1965-69 period imports rose from 358 units to 915.

The same pattern has been discernible in the production of passenger cars. Local production has risen from 450 units in 1965 to 4,922 units in 1969. Meanwhile the number of imported cars rose from 574 to 3,134. On the other hand, the number of establishments was seven in 1962, by 1967 it had reached

the maximum, at 22. This has now decreased to 15 in 1970. The Turkish motor industry is generally protected for 22 years under the EEC association. Custom duties will be completely eliminated within 12 years for passenger cars and within 22 years for the others. Under these circumstances it is difficult to see how the industry can meet keen competition. Essentially this should be considered normal in a small and limited market in which annual production capacity of companies is between 20,000-30,000 units.

## Tax situation

The industry faced a new and tougher situation in 1970, when new and heavier taxes were imposed. It seems inevitable that these taxes, along with the increasing financial difficulties in the motor industry, will soon force some companies to look for mergers or to close down completely. But this development, on the other hand, should help the situation to turn to the normal and become more efficient. There have been cases where a number of firms had to leave the business after a few years. For instance, the number of establishments was seven in 1962, by 1967 it had reached

## A major role for textiles

By a Correspondent

Producing 16.5 per cent of total industrial output in 1968, textiles is the most developed industry in Turkey after the food industry. The State set up this industry during the late 19th century, and during the early stages of the Republic, "Sümerbank," the State enterprise responsible for the industry was developed. The private sector, gave increasing importance to the sector after the early 1950's, and to-day represents 35 per cent of total textile production.

Beginning 1960, rapid developments in the industry have taken place. At present there are approximately 150 medium and large enterprises. Some of the leading ones are given

below. These enterprises represent 50 per cent of Turkey's spindles and looms.

Production has moved rapidly ahead during the first and second Five-Year Plans. In 1962 cotton-yarn production stood at 95,800 tons and by 1969 it had risen to 165,000 tons. During the same period production of cotton fabrics moved ahead from 547.5m. metres to 825m. metres. Corresponding with these increases has been a gradual effort to export production. In 1962 total exports of both cotton-yarn and cotton fabrics amounted to \$0.9m. By 1969 it had reached \$8.6m. for cotton yarn and \$4.8m. for cotton fabrics. The sudden rise in exports was particularly noticeable after 1968 and is expected to continue.

There has been a big effort to modernise factories in this field, and parallel with this has been production of fabrics by the usage of combined man-made fibres. To-day the Turkish

## Cotton cloth

Turkey would appear to be in an advantageous position so far as the manufacture of printed cotton cloth is concerned. For instance, the conversion cost (cost for export less raw material cost) is TL2.77 per yard in the case of Turkey, TL3.35 per yard for Hong Kong and TL3.79 per yard for Japan. Meanwhile, productivity per cotton yarn spindle is greater than many European countries. For instance the productivity per spindle (1967 average) in Japan is 56.7 kg., the EEC average is 63.7 kg., for Greece it is 75.5 kg., for Pakistan 86.7 kg.,

	Number of Spindles	No. of looms
Güney Sanayi	54,000	1,020
Borsa	48,092	1,006
Sümerbank-Denizli*	36,584	504
Sümerbank-Kayseri*	35,880	1,105
Akdemir Mensucat	34,000	160
Sümerbank-Izmir*	32,644	972
Çukurova	30,120	607
Sümerbank-Bakirköy*	29,904	455
Mensucat Santral	29,520	1,056
Sümerbank-Nazilli*	28,236	828
Sümerbank-Malatya*	25,200	716
Şark Sanayi	25,032	323
Sümerbank-Ereğli*	24,016	383
Basma Fb. A.Ş.	22,400	680
Antalya Tekstil	21,600	390

\* State Enterprises.

cotton textile industry considers it is capable of meeting every kind of European demand.

Compared with the development rate of cotton weaving, the wool weaving industry has been slow and in recent years has been facing increasing difficulties. For instance over the same 1962-69 period already quoted not only was there a negligible quantity exported but also production of wool yarn rose only from 20,000 tons to 28,500 tons and wool fabrics from 23.6m. metres to 28m. metres. Exports which were non-existent in 1962 reached \$0.6m. in 1969.

In the wool weaving industry there are approximately 100 medium and large companies, employing some 23,000 persons. This compares with a total of 273,000 employed throughout the textile and clothing industry.

At the moment there are 1.25m. spindles in cotton textile construction or planned, this number will double within five

and 118.1 kg. for Turkey. Only Hong Kong at 176.9 kg. has a higher rate.

As for the clothing industry, the trend in the industrialised countries is to transfer the ready-made garment industry to the developing countries, because of cheap labour. Turkey has been rather slow to take advantage of this changing situation. The ready-made industry in Turkey has started developing recently (three or four years ago), stimulated by profitable business practised by similar countries. Consequently, new, modern factories have been established, receiving orders from overseas markets. In 1970, \$900,000 exports were realised.

It is estimated that this figure will increase to \$18m. or \$20m. by the end of 1977. In exporting their merchandise, the most popular method which is recently being adopted by Turkish manufacturers is to sub-contract through foreign buyers. This is likely to develop considerably as Turkey integrates more fully with the EEC.

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**TURKEY X****Wide variety in mining potential**

By ROBERT GRAHAM

Turkey boasts an extremely wide variety of minerals of which the most important to date are copper, chrome, iron ore, manganese, coal, lignite, lead, zinc, mercury, bauxite and asbestos. Of these, copper has been mined since the earliest times, while chrome was located as early as the 1840s. On top of this there are indications of a number of other minerals such as wolfram, uranium, tin, nickel as well as untapped reserves of copper, lead and zinc. Nevertheless, in the country's industrialisation drive since World War II, mining has been something of a poor cousin. In both the first and second Five-Year Plans investment has not favoured mining—in the second plan, which ends in 1972, mining is due to receive 3.7 per cent. of total planned allocations (in fact, it will be slightly under this figure). Nevertheless, this is an industry which represents 9.2 per cent. of total exports (\$54m. out of \$588m. in 1970) and provides jobs for some 100,000 persons.

**State company**

Perhaps an equally important factor has been the doubt surrounding the roles of private and State enterprise on the one hand and foreign investors and the Government on the other. State concerns control about 80 per cent. of all mining production and are exclusively responsible for coal operations. The most important State company in the mining sector is

Etibank which operates the mines through various subsidiaries. In the early Sixties the State enterprises increased their predominance over the private sector as, backed by the Mining Investment Bank (founded in 1962) they were able—and willing—to invest in new plant. In the latter years of the Demirel Government, efforts were made to persuade the private sector to play a greater part and in 1968 the Turkish Mining Bank Corporation was created to provide credit facilities. In spite of this there was a general reluctance to view mining as a worthwhile medium or long-term investment. This attitude has yet to change, and indeed this bank has now become a completely dormant institution.

The Government has stated that part of its programme will be to nationalise lignite, borate and other strategic materials. This policy was repeated to me by Mr. Atilla Karasmanoglu, Deputy Prime Minister for Economic Affairs. He made it clear that this meant the nationalisation of that priority would be given to national companies, state and private, to exploit Turkey's mineral wealth. The general thinking behind these new policies is a desire that extraction of mineral resources should be in Turkish hands and that the days of the foreign companies who seek to take out more than they put in are at an end. In spite of this apparent dogmatism, there have been several hints that these general guidelines will be adopted because the authorities realise that international finance may well be necessary as well as international marketing outlets to exploit for instance the copper, whose considerable reserves are being constantly revised. In this \$10m. a year. (In 1970 Turk

**Joint operation**

Although since 1962 it has ceased to be regarded as a strategic mineral by Nato and has never been used in rocket fuels, the Government has insisted on considering it as a strategic mineral. Various applications have been refused. In particular a project for a joint \$40m. operation with Turkish State and private interests to produce 300,000 metric tons of treated sodium borate has been turned down. While declaring its aim to realise that international finance may well be necessary as well as international marketing outlets to exploit for instance the copper, whose considerable reserves are being constantly revised. In this \$10m. a year. (In 1970 Turk

**Oil firms' uncertainty**

By a Correspondent

Since the announcement of the Government's intentions to nationalise bulk storage facilities six months ago, the industry has been in an uncertain state about its future. The Government's stated policy is that Turkish interests, and in particular the State, will play a major part in exploration and production, as well as in a position to control marketing operations. So far there has been no move to implement this policy and the person most closely associated with its propagation, Mr. İhsan Topaloglu, the Minister of Power and Natural Resources, resigned last month. However, until the Government discloses its hand there is bound to be uncertainty among foreign oil interests. In the long run it would seem that the Turkish aim is to establish a policy along the lines of French, which would permit foreign interests to explore, produce, and market but only as a minority.

**Plan forecasts**

The desire to nationalise the storage depots is due to strategic considerations in view of the fact that Turkey is a net importer of crude—a situation which is unlikely to alter for some time. Although oil was struck as far back as 1950 and reserves are now put in the region of 500m. tons, current production accounts for roughly half of Turkey's needs. According to the Plan, demand is expected to have moved from 5.5m. tons in 1967 to reach 10m. tons by 1972, an increase of 10.6 per cent. a year. However, the marginally faster but also production has not managed to keep pace with the Plan forecasts. In 1967, production was 3.5m. tons. This was put at below the 20 per cent. annual increase anticipated to achieve a 6m. annual production by 1972. All the producing wells are in south-eastern Turkey, mostly in the province of Sirat. The bulk of the discoveries have been made at depths of 8,000 feet and the crude found, of both heavy and light gravity, contains a reasonable sulphur content. The wells are for the most part small—Shell, the largest producer, has a total production of 40,000 b/d.

**Three refineries**

In recent years refining operations have developed considerably, moving from 1.9m. tons of fuel oil, diesel oil, gasoline and kerosene in 1966 to 3.3m. in 1970. There are not only three refineries. The Turkish TPAO operates a small refinery at Bafra and a larger one at Samsun. A third refinery is owned by BP-Shell-Mobil at below the 20 per cent. annual increase anticipated to achieve a 6m. annual production by 1972. All the producing wells are in south-eastern Turkey, mostly in the province of Sirat. The bulk of the discoveries have been made at depths of 8,000 feet and the crude found, of both heavy and light gravity, contains a reasonable sulphur content. The wells are for the most part small—Shell, the largest producer, has a total production of 40,000 b/d. Including Shell, there are four producing companies. Two are \$155m. in refining, is bound to Turkish, the state controlled TPAO (Turkish Petroleum Corporation), and a small private Government.

Boraks exports were worth \$22m.)

At present Turkey's most valuable mineral export is chrome. Last year 750,000 tons of chrome were produced and exports were worth \$15.6m. against \$12.8m. This makes Turkey one of the biggest producers in the world. Chrome is to be found primarily in north-western Anatolia and in the south-eastern part of the country at Guleman, where the largest mine is situated. However, a number of other locations are known to contain chromite in dices.

The main research and development effort centres round copper, lead and zinc. Studies carried out by MTA have revealed the presence of a promising copper belt which runs along the Black Sea coast with possible reserves of 300m. tons of reasonable quality copper ore known reserves are put at 90m. tons, a 400,000 tons copper refinery at Samsun will shortly be operational. Another belt along the Kelkit River is being studied with UNDP assistance; it also shows indications of containing lead, zinc, silver and gold. Current production centres round the Morgul Copper Mine in Coruh province and the Ergani Mines in Elazig. Over the past five years production has fluctuated and last year's 19,000 tons compared unfavourably with the 27,000 tons of 1966—a year when exports reached a \$26m. peak against the 1970 \$5m.

Other research in the past two years has revealed interesting lead and zinc deposits in the Bursa region, while in the Konya region a project to mine 40,000 tons of lead and 20,000 tons of zinc a year is well advanced. There are also hopes to develop mercury deposits (Turkey is currently the fourth world producer) and promises of further manganese development—a mineral which has seen its exports nearly double since 1962.

**Iron ore**

The existence of substantial iron ore deposits near Divrigi in north-eastern Turkey has enabled the Government to go ahead with a third steel mill at Iskenderun. Meanwhile, extensive bauxite deposits will supply a smelter under construction at Kayseri. When complete, it will have a capacity for 60,000 tons of aluminium and 200,000 tons of alumina.

Longer term there is the possibility of exploiting peat (for use in the construction industry as an insulant) and the development of phosphate deposits in the Malidag region. There are also plans to harness the large quantities of steam in underground fissures for power. Marble could also begin to play a bigger role in exports.

From all these possibilities it would be erroneous to assume that the Government is going to pump in large sums of money. The deposits are not always of good quality and the overall budgetary situation is far too delicate to expect such action. Also the private sector will probably continue to wait in order to see the way in which things develop. Nevertheless mining should play an increasingly important part in the economy.

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## TURKEY XI

# Bridge to link two continents

By MARTIN ROUTH

Istanbul, the only city in the world to straddle two continents (Europe and Asia), is divided by the Bosphorus—the seaway that links the Mediterranean to the Black Sea. When the Bosphorus Bridge is completed in 1973 it will have the distinction of possessing the longest clear span anywhere outside the U.S. (Although in a matter of only a couple of years this distinction will belong to the Humber Bridge in England, where the longest clear span anywhere in the world will be erected).

The population of Istanbul is increasing at a tremendous rate; in 1970 it was 2.5m. and by 1980 it is expected to have reached 5.3m. With a similar growth in commerce and industry envisaged, and the consequent increase in transport, it was inevitable that an improved road network, including a crossing of the Bosphorus, would have to be constructed.

## Long delays

For centuries ferry boats have piled between the two halves of the city, but more recently crossing times have lengthened to impossible proportions. During the summer, for example, when the transport of vegetables and fruit reaches a peak, delays to the delivery trucks often extend to 24 hours. Added to this, total crossings in 1967 were 3.5m. and the figure for the current year is likely to be 5m. This averages out at 14,000 crossings a day.

The estimated savings to the city's economy resulting from a bridge, assuming no competition from ferries, is TL53.8m. (just under £1m.) for the first year. This figure is expected to reach TL243m. (£6.7m.) in 1975. This is said to work out at an

overall internal rate of return for the Bosphorus Bridge and peripheral highway of 14.7 per cent.

Of course, another advantage of the bridge over the ferry service is that it will be open 24 hours a day and, in all weather conditions. Furthermore, the hazard of local ferry traffic interfering with through

traffic will be reduced. The problem of devising a crossing for the seaway had been taxing engineers for ages. In 1953, the Istanbul Municipality, the Technical University and the Ministry of Public Works got to work on the problem in earnest. A couple of years later an American firm was commissioned to carry out a study, but financial difficulties obstructed further progress.

However, around that time bridge building technology had progressed with the development of thin-walled steel box girders, for example, enabling larger structures to be erected than had previously been possible.

A 22 km long peripheral highway, connecting Ortakoy on the European side with Beylerbeyi on the Asian shore, was decided on. This includes not only the Bosphorus crossing, but a smaller bridge across the Golden Horn.

Designed by Freeman Fox and Partners, along the same lines as the Severn Bridge, the Turkish bridge is being erected by a consortium of Cleveland Bridge and Engineering Company and Hochtief AG, of Germany. About 80 per cent of the £14m. contract is with Cleveland Bridge, and the remainder is with Hochtief.

However, British contractors were very nearly not involved. At the time the General Direc-

torate of Highways for the Republic of Turkey was commissioning engineers to start designs, Cleveland had just been merged with Cementation Group. Concurrently, the company was extremely busy bidding for a large contract in Brazil.

While Cleveland had been approached by the Turkish authority, the company's managing director suggested to Cementation's managing director that the lack of manpower at Cleveland might prevent it from tendering for the Bosphorus job.

## Tough negotiating

But Cleveland's managing director was reassured on that count, and eventually after some very tough negotiating against international competition, the contract was awarded to the consortium.

The ground-breaking ceremony took place in February, 1970, during a Moslem festival in which it is customary for rams to be sacrificed and the meat given to the poor. Blood from these sacrifices was poured into the foundations of the bridge along with the steel and concrete used. Foundations for the two 165-metre-high suspension towers built on either side of the seaway go down as far as 24 metres to be embedded in rock. In addition, enormous anchor chambers, involving excavation is rock to depths of about 30 metres, were required to take the load of 15,000 metric tons in each of the main cables.

The bridge deck will be 1,074 metres long between the towers and 1,622 metres in all, including the two independent side-span viaducts. To accommodate six lanes of traffic as well as

footpaths on either side, it will be 33 metres wide.

Hollow box aerofoil sections, which offer much less wind drag than comparable trusses, are to be suspended from the cables. This shape is important as about 70 per cent of the transverse wind force is carried by the cables to the top of the towers.

Before the deck can be erected the cable spinning operation will have to be carried out. In order to do this, temporary footbridges have to be laid across—a spectacular manoeuvre. During this, the seaway will have to be closed for periods of several hours for a few days. This should create quite a problem as the Bosphorus is one of the busiest sea routes with something like 1,000 ocean-going ships passing along it each month.

When all 19 strands of cable, comprising 540 wires of 5 millimetres diameter each, have been connected into a single homogeneous mass of parallel wires with a diameter of about 60 centimetres, the suspender strands will be hung from them. After that the deck sections can be positioned.

Sections of decking about 20 metres long, and weighing up to 150 tons, assembled on the banks of the Bosphorus and then floated out on barges, will be hoisted up into position by tackle suspended from the main cables. Much of the welding on the bridge will be by automatic machines. Erection will start in the middle and proceed symmetrically towards both ends.

Once completed, the bridge will not only unite both halves of the city and assist in the formation of an homogeneous metropolitan area, but also should assist tourism.



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# Bright future for archaeology

By Professor GEORGE E. BEAN

Archaeologically and touristically Turkey appears to be the country of the future. When the main European war ended in 1945 classical archaeologists began to think again of Greece. Unwittingly, however, for some years by the civil war, they turned their attention to the other side of the Aegean, to find in Asia Minor a country at that time comparatively little explored and less excavated. And since then activity has steadily increased.

By the time of World War I the sites of virtually all the major cities of Asia Minor had been identified, and some of them had been excavated. New on in 1887 had dug at Halicarnassus and Cnidus and sent some to the British Museum several hundred crates of sculptured and inscribed stones; Schliemann in the 1870s had determined the site of Troy and unearthed the splendid treasure of gold which is now in the Athens museum; the Germans had dug at Pergamum and Siphnus, the Austrians at Sardis. None of these excavations, however, was complete, and all have been resumed in

recent years. Their purpose nowadays is more strictly scientific; in earlier times excavators were expected to bring back to the countries that sent them material to enrich the museums, whereas to-day the export of antiquities from Turkey is totally prohibited.

## Early travellers

The earliest explorers of the country were mostly Englishmen. Travellers like Chandler, Leake, Hamilton, Fellows and Spratt endured much difficulty, discomfort and even danger in their efforts to improve knowledge of the ancient geography, and their published journals still make excellent reading. Of the hundreds of smaller cities and towns whose names are recorded by the ancient writers many of the sites were discovered by these early pioneers, though their attempts to identify them were hardly more often right than wrong. And even to-day there remain very many sites without names and names without sites. Identification of the smaller sites is in fact difficult unless the investigator is fortunate

enough to find inscriptions or coins which will give him the name.

The inscriptions—written mostly in Greek, Latin being almost confined to the Roman colonies—are a fascinating study, but much depends upon chance. City decrees will begin: "The Council and People have produced neolithic pottery, sculpture and wall-paintings of an unparalleled antiquity. For these spectacular discoveries the main credit is due to the greenfingered genius of Mr. James Mellaart. It is regrettable that this gentleman's name should be associated in the public mind mainly with the notorious and mysterious affair of the Dorak treasure. This is not the place to discuss that unfortunate business, except perhaps to say that Mr. Mellaart appears to have been severely punished for his indiscretion, which has resulted in the suspension of his activities in Turkey and an undeniable setback to the work of the Institute. This contrasts apart, the record of the Institute, under the successive direction of the late Professor

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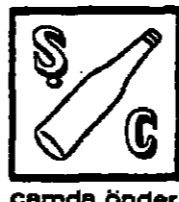
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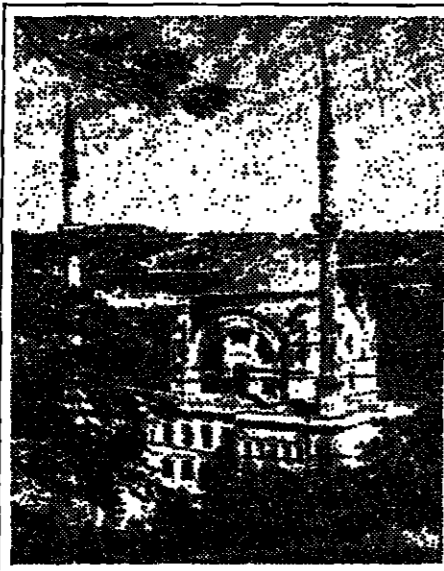
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## TURKEY XII

# Tourist industry tries to catch up

By VIVIAN CRADDOCK WILLIAMS

Now is the time for all good investors to join the party. Invitations to attend the Turkish Tourist bonanza are being extended rather later than has been usual among Mediterranean countries with such immense natural assets. The Turkish tourist industry only began about 10 years ago and since then it has been a somewhat fitful race to catch up. The Turks have watched the soaring foreign exchange earnings reaped from American and European tourists by neighbouring countries in a similar state of development, Greece and Yugoslavia, and they have concluded, rightly, that what can be done there can be done in Turkey.

Starting from such a low base, results so far have been broadly encouraging. Tourist arrivals have risen from 84,077 in 1960, to 531,000 in 1970, to 551,000 for the first six months of 1971, representing a 5.4 per cent. increase on the first half of 1970, with an annual average increase of 18.8 per cent., only just below Portugal's rate of growth.

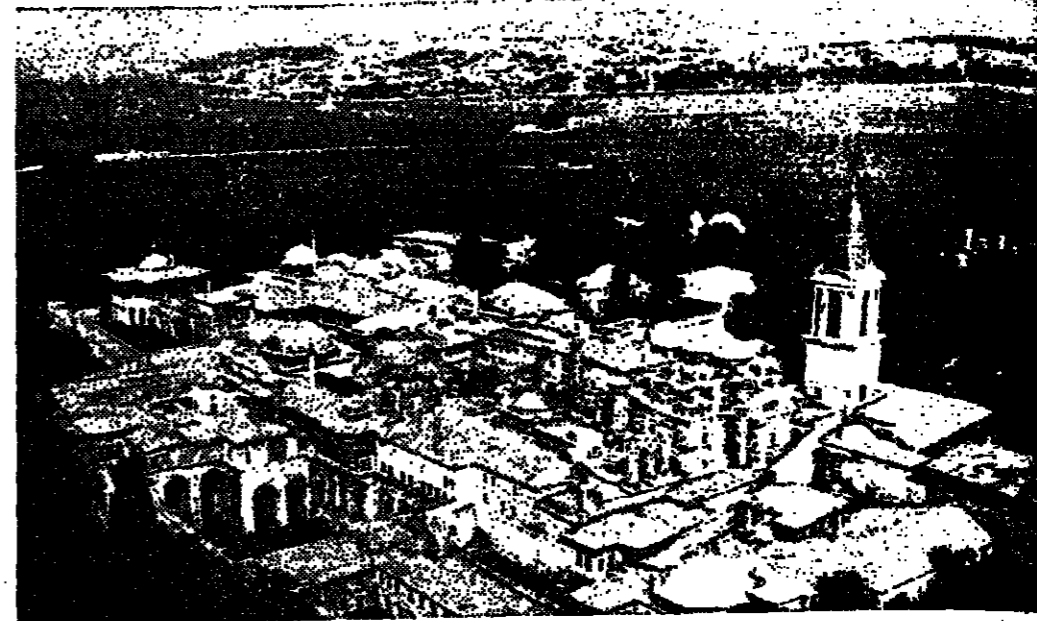
Receipts from tourism have grown slightly less rapidly, from \$5,998,000 worth in 1960, to \$64,108,000 worth in 1970, an annual average increase of 17.3 per cent. The OECD now lists Turkey as second only to Portugal among those countries whose tourist earnings have increased faster than their total exports. Turkey's tourist earnings accounted in 1970 for approximately 4.8 per cent. of her gross earnings of foreign exchange, and this year, with a not too optimistic forecast of \$70m. from tourist spending, the industry's contribution to Turkey's balance of payments will have risen to 10 per cent., however, it should be noted that until last year local demands for currency for foreign travel exceeded tourist receipts.

### Preferential rate

Last year's devaluation did not help to boost tourist spending in Turkey as much as might have been expected. Tourists were already getting a preferential rate of 28 Turkish Lira (TL) to the £1, and devaluation to an exchange rate of TL 56 to £1 via the banks only gave them an extra TL 8. This has been a marginal advantage in a country where the cost of living is already well known to be far below that of the West, perhaps as much as a third of the cost of living in the U.K.

The word has got around the U.S. as well as Europe that Turkey is no bad place to spend a holiday as a reasonably safe, comfortable and exotic alternative to some of the better-known destinations in North Africa and the Middle East. Turkey is Europe's nearest example of the mysterious orient and combines with its Islamic culture 5,000 miles of glittering coastline littered with amazing Graeco-Roman remains, the Biblical Associations of Saints John, Paul and the Virgin Mary. Demand for these Turkish delights has only just been met by the supply of adequate hotel accommodation. The shortfall at high season has led directly to cancelled bookings and a batch of complaints about standards.

Arrivals from the U.K. this year—Turkey's fifth largest source of tourists—has not expanded as fast as was expected



Topkapi Palace, Istanbul

given the enhanced tourist promotion in Britain. Horizon Holidays, the largest U.K. operator of Turkish package tours, has not seen the anticipated rush to visit Istanbul, and they plan their Turkish sector at a slightly lower level for 1972. But other operators are backing their faith in the appeal of Turkey with cheaper, longer packages, aiming at the thousands who have graduated through Spain and Yugoslavia to the East. Swan Tours, the Diners Club subsidiary, is marketing Turkey again next year after an absence of several years. This time with more emphasis on the colourful cultural aspects than on the sun, sea and sand which, as their spokesman says, "You can buy anywhere on the Mediterranean for rather less outlay."

The Turks are in doubt about their tourist potential from the U.K. or any other source, and they have concocted some ambitious plans to realise the expected growth rate. Their plans, however, have been held up by the acute shortage of local capital and partly too by their cautious approach to capital investment from abroad. The first public laws dealing with foreign investment gave rise to a spate of hotel building which produced the splendid Istanbul Hilton, the Grand Hotel Tarabya overlooking the Bosphorus, and the Hotel Imlat at Kusadasi on the sparkling Aegean coast—three of the best in Turkey—and the Club Mediterranée holiday villages. Turkish institutional investors like the State pensions funds and Vakıflar, the Muslim religious trust, have been quick to invest new funds in hotel building in partnership with foreign interests, and this is likely to be the future pattern if new hotel capacity is to be matched with the growth rate in tourist arrivals.

Terms for foreign investment need to be revised as far as capital sources for the Turkish tourist industry are concerned, and it looks now as though the Ministry of Tourism in Ankara is preparing a new initiative to lure foreign capital to the development sites against the background of a new overall plan for what is being called "touristic development region."

This is a strip of coastal land 3 km deep, stretching from Cannakkale-Balıkesir near the Dardanelles all the way south and east to Antalya-Içel on the Turkish coastline facing the Mediterranean. The plan for it is a kind of "Operation Neptune" designed to achieve a controlled development of tourist facilities, and it is clearly the right kind of strategy to adopt if Turkey is to avoid the frenzied overbuilding that has engulfed and spoiled so much of the French, Spanish and Italian littorals.

Land in the region will be leased to investors by the Government with a view to realising a total bed capacity of 100,000 by 1978, and 500,000 by 1991. These planned totals are to be split up into holiday village complexes, like the one already under construction at Side, with a bed capacity of 5,000 to 8,000, each subdivided into modules of 1,000-bed units.

### Land-use survey

The Central Project Directorate of the State Planning Organisation which has been making the basic land-use survey has acquainted several interested investors with details of these proposed villages, among them the Italian company, Valtur, and the Turkish German concern, Koc Holdings. Will foreign investors accept the opportunity? The existing laws governing the management, employment ratios, exemptions from land taxes and the repatriation of royalties are still somewhat discouraging to foreign participation, but credit terms and tax payment deferrals for tourist entrepreneurs have been liberalised. In January this year, holders of Certificates of Touristic Estab-

lishments issued by the Ministry of Tourism at last secured rights to import goods needed to operate their businesses, and when the young and energetic Mr. Erol Akcal assumed office as Minister of Tourism in March, it looked, with a reorganisation of the Ministry and the Tourist Bank, as though a lot more steam was going to be put into foreign investment introductions to get the new projects off the ground.

### Out of phase

The usual queries of a long-term nature attend the ability of Turkey's infrastructure to keep abreast of private investments. Awful confusion can prevail when the two get out of phase, but at least the Government has accepted the responsibility for seeing that airports, roads, telecommunications and power and water supplies are created and maintained to serve the tourist settlements as they rise along the Turkish coast.

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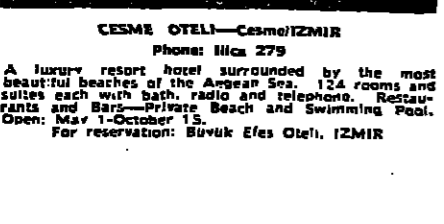
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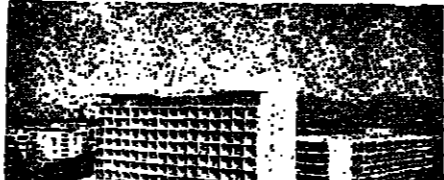
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## Archaeology

—(Cont'd)

Continued from previous page

Garstang, Mr. Seton Lloyd, Mr. Michael Gough and now Mr. David French, is one of which it may well be proud.

Another striking development since the war is the great increase of interest taken by the Turks in the archaeology of their own country. First and foremost, no doubt, and no less so, is the discovery of a round temple which seems to be of the 8th-century sub-Hittite city at Karatepe, a Turkish enterprise under the guidance of the late Professor H. T. Bossert which has resulted in the decipherment by that scholar of the hieroglyphic Hittite writing. In the classical field the University of Istanbul has spent twenty years, under the direction of Professor A. M. Mansel, in excavating the city of Side on the south coast, where a small village has now become a popular resort; while the American excavators under a Turkish director, Professor Kenan Erim, have in a few years transformed the site of Aphrodisias. And Turkish archaeologists are at the present time conducting half a dozen excavations of all periods and assisting in many others. Among the most active are Dr. Nezih Firatlı of the Archaeological Museum in Istanbul and Pro-

fessor Ekrem Akurgal of Ankara University.

Much has been and is going on. The excavations by the French at Xanthos, by the Italians at Iasus and Hierapolis, and by the Swedes at Labranda, have yielded splendid results, and the resumed excavations mentioned above are still continuing. At Cnidus in particular excitement has recently been aroused by the discovery of a round temple which seems to be of the 8th-century sub-Hittite city at Karatepe, a Turkish enterprise under the guidance of the late Professor H. T. Bossert which has resulted in the decipherment by that scholar of the hieroglyphic Hittite writing. In the classical field the University of Istanbul has spent twenty years, under the direction of Professor A. M. Mansel, in excavating the city of Side on the south coast, where a small village has now become a popular resort; while the American excavators under a Turkish director, Professor Kenan Erim, have in a few years transformed the site of Aphrodisias. And Turkish archaeologists are at the present time conducting half a dozen excavations of all periods and assisting in many others. Among the most active are Dr. Nezih Firatlı of the Archaeological Museum in Istanbul and Pro-

Christian archaeology too has not been neglected. In Istanbul, among much other work, the 6th-century church of St. Polyeuktos has been identified and cleared, and the superb monastery at Alahan in the south of Turkey is now a major tourist attraction. At the same time the whole country is being explored and re-explored, and our knowledge of the ancient map is being constantly extended. It may fairly be said that archaeology is the future for Turkey is bright.

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# Ulster's economy: the second battlefield

'Belfast gives the appearance, economically as well as militarily, of a city under a sort of siege.' John Graham describes the damage to the province's economy, and lists four specific problems facing Stormont

WHEN a Cabinet Minister says largest hotel, with 270 rooms, that his country will be on the war was forced to close—some days of economic bankruptcy there was a mere handful of guests. The 22m. IPC plant in a matter of weeks, he commands a degree of attention. This is precisely what Mr. Roy Bradford, Minister of Development in the Northern Ireland Cabinet, said last week, and he did indeed draw the attention of his colleagues—not to mention their fire. He spoke of "authoritative reports" but did not elaborate on them.

## Reassurance

A fairly serious row developed within the Cabinet over the timing and wording of his remarks. Both Mr. Faulkner, the Prime Minister, and Mr. Baillie, the Minister of Commerce, have since made speeches to reassure the business community both here and in England that Northern Ireland is not, in fact, about to be put in the hands of the Receiver, but neither side had been quite convincing.

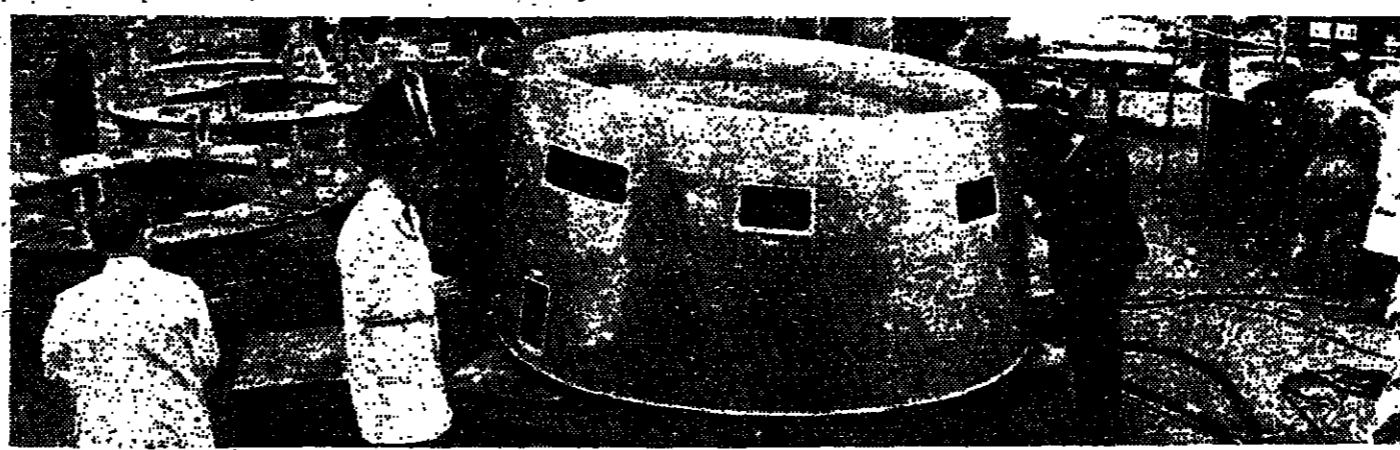
Obviously the economic situation in Northern Ireland is pretty dismal, but just how dismal? A superficial observation certainly suggests that Mr. Bradford has a point. Unemployment is nearly 9 per cent—by far the highest level for 10 years and higher than anything in Scotland or Wales—and in some of the larger counties towns more than a quarter of the adult male population is without work. In Derry you can even find men who are third generation unemployed.

Quite apart from any businesses newly damaged by the numerous daily explosions, the last three weeks have brought a variety of failures. Belfast's

You don't have to walk for long in the streets of Belfast before you see a small business destroyed, or a burned-out factory. Nearly 200 pubs have been bombed since the beginning of the troubles. On top of this, on top of the natural reluctance of people to do business in the centre of the city or even to go there after dark, there is the extraordinary water-nesh community both here and in England that Northern Ireland is not, in fact, about to be put in the hands of the Receiver, but neither side had been quite convincing.

The city's water supplies are turned off for 12 hours a day, and although the authorities claim that this is due to an unusual drought, it has not been necessary in any other part of Northern Ireland, or, needless to say, in any comparable city elsewhere in the United Kingdom. There is a suspicion, more than that, that the whole story has not been told.

In short, Belfast gives the appearance, economically as well as militarily, of a city under a sort of siege. Businessmen fly in from England, do their business and fly out the same day. Public transport is deteriorating fast: the Corporation has had 38 buses hit by the terrorists—at a replacement cost of nearly £500,000 and a revenue loss of £15m. Last week there was no bus service after 7 p.m. No wonder



Production of RB-211 engine pods at Shorts, Belfast. The terrorists have so far left the major employers alone. Photograph: Terry Kirk

people talk of it as a dying city. But this is a superficial observation. The central shops are in severe trouble, yet the supermarkets and shops in the suburbs are doing correspondingly more business. A few factories have been destroyed for ever, but the province's industrial base remains essentially intact. The bombed-out shop fronts really do carry "business as usual" signs; and such is the Ulsterman's resilience and thirst that the shattered pubs are rarely closed for long.

## Difficult

To a drinking man, what is a fallen ceiling or the absence of a mere window? One draught is much like another. So far the terrorists have not attacked any of the large employers, nor any of the important parts of the industrial structure such as the dockyard or the textile factories. The greatest difficulty in

assessing the real position is the lack of reliable and up-to-date figures. Northern Ireland's gross domestic product, at constant prices, rose by 22 per cent from 1964 to 1969, compared to 11 per cent for the U.K. as a whole, but it is this year and next and the year after that matter now.

Industrial production was 7 per cent higher in August this year than in August 1970—a tribute both to the business-as-usual attitude and to very good industrial relations. But how long can it last?

Already, customers in England are becoming reluctant to place orders, fearing not only that a Northern Ireland supplier will not be able to complete production, let alone on time, but that even if he does, it may not be able to deliver. At any rate, given no significant decline in economic activity yet, there are at least four

specific problems which, it is no exaggeration to say, are causing the Government a very great deal of worry.

1—Unemployment. There are 45,000 unemployed out of a population of 1.5m, and every one expects this number to increase during the winter. The direct costs of unemployment insurance are paid by the U.K. Exchequer, but there are obvious social costs inside Northern Ireland. Nobody wants high unemployment at a time of civil disorder anyway, and nobody wants any deepening of the gloom. Alas for the Government there is not much it can do about it; its best hope is for an early economic recovery in England.

2—Trade. Northern Ireland, like Japan, has no natural resources, and like Japan, it must import raw materials, export goods and live on the difference. Last month the

Chamber of Commerce and Industry said: "We are losing exports. In many markets the loss may be permanent." This was certainly borne out by the August export figures, which showed a sudden and substantial decline, and although this was reversed in September the vision of vanishing exports has alarmed the business community.

3—Foreign investment. To solve its unemployment and preserve its trade, the Northern Ireland Government must attract overseas investment; there is no other way. Last year the Ministry of Commerce spent £50m. in assistance to industry, and since 1945 new industry has helped to create about 100,000 jobs. But in the last two years 1,200 jobs have been lost through companies cancelling their expansion plans or deciding not to come to Northern Ireland. A deal with a Scandinavian company which would have created about 500 jobs has re-

cently fallen through. Mr. Baillie is in no doubt that the troubles have deterred a number of companies from proceeding with their applications for assistance, although it is not easy to quantify this. "The reasons we are given are sometimes more diplomatic than forthright."

This is perhaps the Government's greatest economic worry. If overseas investment dries up or even contracts, Northern Ireland's chances of prosperity will be deferred for years. Yet why should a potential investor choose Northern Ireland at this particular stage in its history? The Government offers financial grants—up to 55 per cent on buildings and 40 per cent on plant and machinery—and a large pool of skilled and semi-skilled workers, but while Mr. Baillie admits that investors are showing "extreme anxiety" and argues that circumstances do not warrant this, he also admits that it is hard to allay anxiety while the violence persists. After all, the investor does not depend on Northern Ireland.

The Government, perhaps inevitably believes that the second of these unknowns has not occurred—that the province's image can still be saved. But a note of urgency has stolen into ministerial speeches in the last week.

## The rot

Mr. Bradford's "matter of weeks" is implicitly denied by his colleagues, but privately they settle for a matter of months. If life returns to something like normal by Christmas, then they think they can get the foreign investor back. But if the terrorism goes on much into next year, the rot will have spread too far.

Mr. Faulkner has impressed this "crisis" view on Mr. Heath, and the result, in part, is the increase in the number of soldiers and the Army's more aggressive hunt for terrorists. Just as England may not be able to stand a long haul against the terrorists for political reasons, so Northern Ireland, economically, cannot hold together much longer. In any event, economic bankruptcy may not necessarily be the worst of all evils; there is a nasty prospect, too, of political bankruptcy.

## A squeeze

4—Bankruptcies. Last year this was the worst ever for bankruptcies in Northern Ireland. To-day, companies are threatened with a smaller volume of business, plus higher costs arising specifically from the emergency such as insurance, security patrols and so on. This is a land of many small businesses, often run by families, and they are in a more than usually severe liquidity squeeze. The Government is giving

## Labour News

### More bitter note in Midland disputes

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

NATIONAL and local policies over unemployment, redundancy and pay systems will be coming under increasingly bitter criticism and action in the Midlands this week by local authorities and MPs of all parties, as well as by unions.

The focal points are unemployment in Birmingham, the fight to save 3,000 jobs at BSA, and the hostile reaction of workers in Coventry to the decisions by engineering employers to lock out toolroom and associated workers on every Tuesday after their strike on Monday. To-morrow's strike will be the sixth and it could lead to an unparalleled city-wide stoppage.

## Unemployment

Unemployment is expected to show another jump when the figures become available on Wednesday.

The flurry of activity in the Midlands by Mr. Edward Heath, Mr. Robert Carr, the Employment Secretary, and Government members just before the Tory party conference, and in particular, Mr. Heath's own confidence have done nothing to dispel the growing concern that Birmingham and the Midlands are in danger of losing out because of the lack of technologically based industries—a point made by the regional branch of the CBI, which is much less optimistic about the speed of economic recovery than is its headquarters.

After being "fobbed off" with an offer to see a junior minister, an all-party delegation from Birmingham City Council, including also the Chamber of Commerce and the city's Trades Council, has now arranged a meeting with Mr. John Davies, the Trade and Industry Secretary.

Financial aid to BSA, the country's biggest motor-cycle manufacturer, to minimise 3,000 redundancies will be discussed on Wednesday. The fact that a point out that this number is equivalent to about a 12 per cent increase in unemployment in the city. Both Tory and Labour local MPs are also trying to get Barclays Bank to increase its overdraft to BSA by an extra £5m-£6m, above the £10m which it is already committed.

On Wednesday in Birmingham, national and local union officials involved at BSA will be meeting to discuss a job-saving campaign, and will afterwards see the management.

Coventry shop stewards and union officers fear a city-wide stoppage following the decision of the Engineering Employers' Association to lock out workers who strike on Monday on the day to bring to a head the disruptive situation caused by the four-months dispute over the cancellation of the 30-year-old agreement. This ties toolroom rates to the average of killed production workers, and employers want to replace it by a new system.

The spark that could ignite a mass walk-outs later in the week is provided by the 40 or so machine tool fitters at British Leyland's Triumph car plant, who have said that, as from Wednesday, they will absent themselves until further notice if the Tuesday lockout is implemented.

The mood of the shop stewards in Coventry will be shown to workers.

## Sandstall

Mr. Eddie McGarry, one of the stewards' convenors at Triumph, was in no doubt about the reaction: "If our machine is under the wheel of this city will be at a standstill on Wednesday," he said.

Mr. Jack Jones, general secretary of the TGWU, who was in Coventry on Friday on other matters, was given first-hand accounts of the situation both at Coventry and BSA.

Although the toolroom dispute directly concerns only the AEUW, several other unions, such as the electricians, sheet metal and transport workers, have members concerned by the toolroom agreement. Mr. Jones said to-night that while no joint action was contemplated: "If the situation deteriorates, the other unions will want to be involved."

He went on: "As the TUC has been saying all along, I myself told Mr. Barber and Mr. Carr before the Budget—redundancies would continue to rise. They have now got completely out of hand."

## Campaign to stop EPTU registering

By Our Labour Correspondent

DELEGATES at the Electrical and Plumbing Trades' Union's conference next week will be asked to support a demand that the executive lead a campaign against the Industrial Relations Act which would include a decision not to register under the new legislation.

The more militant branches will demand strikes against the Act, and there will be calls in line with TUC policy, for the union to boycott the new industrial courts and for a future Labour Government to repeal the legislation.

A number of branches have tabled resolutions hostile to the executive's productivity bargaining policy with one or two wanting a complete ban on such deals.

However, the conference will also debate a composite resolution which takes the view that only with a highly productive and high-wage economy will the country have an industrial future.

But it insists that genuine productivity bargaining must be adequately rewarded and protected against inflation. It therefore advocates straightforward compensation for cost-of-living rises, quite apart from payments for increased productivity.

## S. TIMES DISPUTE

Production of yesterday's Sunday Times was disrupted on Saturday night because of a labour dispute, which was later settled, between the management and a section of the National Society of Operative Printers and Assistants over the closure of a garage and the displacement of workers.

## Nixon adviser gives quality of life research priority

BY DAVID FISHLOCK, SCIENCE EDITOR

DEMAND FOR scientific research will continue to expand in the 1970s, although the emphasis will change, Dr. Edward David, President Nixon's science adviser, said in an interview in London yesterday before returning to Washington.

The quality of life was going to be much more important in the 1970s, than in the 1960s, and that implied a different kind of technology. Technology assessment, where new schemes were scrutinised for "primary, secondary and possible unforeseen effects," were becoming the watch words. But they had to take care that technology assessment did not become technology arrestment.

Dr. David, physicist and formerly an executive director of Bell Laboratories, was in York last week. He is with the U.S. delegation which attended the organisation of Economic Co-operation and Development science ministers' meeting in Paris, and brought fresh U.S. Government proposals for international collaboration in science.

## Drugs testing

Until now, Dr. David declared, international co-operation had been primarily a camaraderie.

"Now we find we must go beyond that—we have to forge some functional relationships." One proposal was that OECD countries should share the toxicological testing of new chemicals and drugs. The meeting had accepted his Government's proposal to make a study of the possibilities.

Pollution, he stated, was another area where it was impossible for many backstops to be cleaned up without a good deal of international collaboration.

Another aspect of collaboration concerned the rising costs of "big science." But instead of trying to share the cost of a piece of apparatus, research programmes might be drawn up jointly, and arrangements made to use each other's facilities, so that no one tried to build everything.

In the U.S., a diminishing proportion of research and development resources would be devoted to aerospace in future. That included computers, although he expected to find new ways of helping the entrepreneur in computer technology.

Even so, the next six months would see a fall in the present total of 50,000 to 60,000 unemployed scientists and engineers.

He had little hesitation in predicting that there would be new research programmes, pushed at levels that would absorb these unemployed skills.

Dr. David cited transport, where new programmes were taking shape in air traffic control, short-haul aircraft and high-speed trains; also, energy, housing and health care.

## New projects

He has executive responsibility for the RANN programme (research applied to national needs), which was designed to bring the rigours of the academic world "to bear on major federal problems. RANN has had funds for only a few months, but its projects already include natural resources, disaster control, earthquake engineering and weather modification. New projects needed careful vetting, he added. A Bill had been placed before Congress setting up an Office of Technology assessment.

Dr. David thought the idea made sense of existing NASA into "National Applied Sciences Administration," so that its project management skills could be harnessed to the new projects. He denied, however, that the proposal had come from his office.

## Breeders have a record week at Newmarket bloodstock sales

BY MICHAEL THOMPSON-NOEL

BRITAIN'S bloodstock breeders enjoyed their best week ever at Clague, the banker. Lady Beaverbrook paid 161,000 gns. for last week's Houghton Yearling Sales at Newmarket. By the close of business on Saturday 302-time she beat off determined lots had changed hands for a total of 2,998,130 gns. an average of 6,883 gns. Corresponding figures for 1970 were 406 lots sold for an aggregate 1,846,200 gns., an average of 4,547 gns.

Lady Beaverbrook, who spent 198,000 gns. in 48 hours paid Saturday's top price of 37,000 gns. for a son of Reform out of Abanilla. On Friday, although the underbidder for the record 117,000-guinea colt by Native Prince knocked down to the Curragh Bloodstock Agency, the main feature of the week

bidding for Col. Sir Douglas was undoubtedly Lady Beaverbrook's determination to outbid the Japanese. The early struggle to secure Friday's colt by Sir Ivor was waged between the British and Anglo-Irish agencies, both acting on behalf of Japanese clients. Lady Beaverbrook came in at 67,000 gns. and went to 81,000 gns. before succeeding. The colt will be trained by Major Dick Hera.

The week's top vendor was Cmdr. Peter Fitzgerald, who bred both the Sir Ivor and the Native Prince colts at his Co. Limerick stud. Sold for a total of 198,000 gns., their dams were bought originally for a total of only 1,880 gns.

## Anglo-U.S. talks on patent rights for R-R aero engines

FINANCIAL TIMES REPORTER

DISCUSSIONS on the ownership of key patent rights in Rolls-Royce aerospace engines are taking place between the British and American governments.

They follow mounting pressure in the U.S. for the Hawker Siddeley Harrier VTOL fighter, powered by the Rolls-Royce Pegasus engine, to be manufactured in that country for the Marine Corps rather than be bought from Britain.

A total of 114 Harriers, representing between £150m. and £200m. worth of potential business to Britain, have been ordered for the U.S. Marines. A recent U.S. Senate decision, however, threatens the withdrawal of cash for their purchase unless production takes place in America.

The result has been to throw into sharp relief the current uncertainty and complexity surrounding Rolls-Royce patent rights, which were taken over by the British Government immediately after the company's collapse in February because of their national importance.

The Pegasus engine was originally partly financed by American Mutual Weapons Development Programme funds. Since then, substantial development of the unit has taken place, leaving unclear to what extent America still has any rights in it.

Also unclear is whether the patents covering the Pegasus are Crown property and hence subject to defence agreements which could give the U.S. free access to them.

At the time of its takeover, the Government maintained it was merely their custodian, keeping them outside the range of the agreements. Since then the question of who really owns the patents has become more complex because of the formation of Rolls-Royce (1971) to take over the gas turbine engine assets of Rolls-Royce. Among the questions which arise is whether the patents, too, were passed over to that company.

On the various answers could hinge substantial sums in royalty payments. In Whitehall yesterday it was being denied that there was any row between the two governments over the matter. At the same time, it was admitted that the whole situation was currently under legal examination.

## \$11,900 for mahogany bachelor chest

THE SECOND session of the sale at Sotheby's Parke-Bernet Galleries of property of the late Marsha Baird Rockefeller realised \$81,370.

An 18th-century mahogany bachelor's chest was sold for \$11,900 and an 18th-century satinwood secretaire bookcase \$6,750.

A set of 10 George III-style mahogany dining chairs made \$2,100.

## Rhodesia hopes: Sir Alec

BY JOHN BOURNE

SIR ALEC DOUGLAS-HOME, the Foreign Secretary, said yesterday he thought there was a chance of settlement between Britain and Rhodesia, but he had not made up his mind yet whether to visit Rhodesia for talks with Mr. Ian Smith.

Interviewed on BBC radio, Sir Alec was also questioned about reports that he might retire from the Foreign Secretaryship. He replied: "When I go, I shall go cleanly and say so. Meanwhile, I keep on going and there is quite a lot to do."

## SIR WINSTON'S PAPERS FOR CAMBRIDGE

Sir Winston Churchill's papers are to be housed permanently at Churchill College, Cambridge, in an archives centre being built with money provided by a number of prominent American citizens, the college announced yesterday.



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Recent legislation has been most helpful to the self-employed who can now invest up to 15% of earned income (maximum payment £1,500) in a self-employed pension policy with full income tax and surtax relief. Moreover, at pension age part of the pension benefits can now be commuted for a tax-free lump sum.

Apart from offering excellent growth prospects with our high compound rate of bonus—currently £3.75% per annum plus a capital bonus of 20% of all bonuses at pension age—our new Open-Ended policy guarantees generous terms for commutation.

But why Open-Ended? Because if at pension age our current terms are more advantageous than the guaranteed commutation terms, any pension remaining after commutation will be increased proportionately.

In all, this new plan is one of the best on offer. Why not send for details now?

Please quote me for your Open-Ended Pension Policy, without obligation to myself. For purposes of illustration, please assume a premium of £2,000 annually for a pension to commence at age.....

Name (Mr/Mrs/Miss).....

Address.....

Date of birth.....

UNITED KINGDOM PROVIDENT

88 GRACECHURCH STREET, LONDON EC3P3DY. TEL: 01-626 6543

# COMPANY NEWS + COMMENT

## Fothergill & Harvey profit fall warning

A MARGINAL increase in first half (28 weeks) turnover and profit has been achieved by Fothergill & Harvey but, as a result of the economic climate affecting the industries supplied, conditions in recent months have been extremely difficult, the directors say, and they expect that profits for the full year will fall below those of the previous year.

However, they remain confident of profits growth over the long term. The group makes industrial synthetic textiles, reinforced plastics and fluorocarbon products.

External turnover for the 28 weeks was £2,685,000 against £2,795,000, and pre-tax profit £202,000, compared with £200,000. For all the year to January 3, 1971 the respective figures were £5,382m. and £402,000.

Earnings per 25p Ordinary share are shown at 2.69p for the period (2.27p-3.80p for the year). The interim dividend is held at 1.5p per share, costing £81,321. Last year's total was 3.75p.

28 weeks  
1971 1970  
External turnover £2,685,000 £2,795,000  
Pre-tax profit £202,000 £200,000  
Corporation tax £121,119 £119,800  
Minorities £121,119 £119,800  
Attributable £121,119 £119,800  
Earnings per Ord. 2.69p 2.27p

### comment

Fothergill's shareholders, if they read between the lines, had plenty of warnings that 1971 could be a difficult year. In 1970, pre-tax profits for the year rose only £20,000 after a £26,000 gain in half-time, and while a further rise was on the budget last May, a month later the chairman emphasised the impact of increased costs in the first four months of the year. Given that, and a rise of only 3 per cent. in first-half turnover, the 1 per cent. rise in pre-tax profits could be classified as a reasonable holding performance.

However, with the decline forecast for the second half, it will probably not be enough to hold the shares at 85p where they are on an historic p/e of 144.

### INDEX TO COMPANY HIGHLIGHTS

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## Lawdon growth potential

ENCOURAGING prospects overseas and future plans for commercial development by Lawdon—residential property developers—lead the chairman, Mr. D. M. Betts to look forward to the future with confidence.

Although directors are actively pursuing the policy of increased commercial activity, schemes are long-term projects and consequently the next two years' profits will, in the main, arise from housing and overseas activities. The chairman says the group has a substantial land bank and he is confident that demand for good class properties in the South East of England will continue and that the group is very well placed to serve this demand.

It is the Board's intention to gradually take a greater interest in the holding of property for investment as it is felt such a course must in the future add to the company's economic strength.

As reported on September 28, pre-tax profits for the year to May 31, 1971, amounted to £271,080, against the July prospectus forecast of £260,000. The dividend is the expected 15 per cent.

On current activities, the chairman reports that the sales position is "most satisfactory" while in all it is expected that some 20 sites will be under develop-

ment in the U.K. during the current year.

It is also expected the current year will see the first profits arising from the subsidiary Lawdon (France)—mainly from the development of 91 houses at Auvers sur Oise, where reservations are now running ahead of construction.

Meetings, Croydon, Surrey, November 9 at noon.

## Scottish & Mercantile prospects

PRESENT INDICATIONS are that lower income from the unquoted investments must be expected by the Scottish and Mercantile Investment Company for the current year and that profit will therefore be lower, says chairman Mr. R. D. Poore.

However, it seems unlikely, he adds, that any such reduction will be of such consequence as to prevent maintenance of the same rate of dividend.

As reported on September 28, pre-tax profit for the year to March 31, 1971, was £239,255 (£201,588) with a dividend of 11 1/2 per cent. (same).

Investments now consist of a well spread portfolio including two important unquoted items—the 40 per cent. interest in Northern Shipbuilding and Industrial Holdings which owns Hall Russell and Co., the Scottish shipbuilders, and the 44 per cent. indirect

interest in R. W. Nobes and Co., held through Fashion and General. At the Balance Sheet date, these two investments contributed 56 per cent. of consolidated profit.

After deducting Preference shares and Debenture stock at par the asset value represents 62.55p per Ordinary and "A" Ordinary share. By the half-way date during the current year, this value per share had risen to 82.85p.

Meeting, Winchester House, E.C., November 9, noon.

## Good year ahead for Daejan

THE CHAIRMAN of Daejan Holdings, the Earl of Stradbroke, is confident that current year results will again be "satisfactory", and that the 13 per cent. dividend will be again maintained.

As he forecast last year, the group is now beginning to derive some benefit from The Housing Act, 1969, and additional income from this source "will be increasingly apparent" over the next few years.

As reported on September 25, group profit, before tax, for the year ended March 31, 1971, was £749,578 compared with £693,888. A breakdown of income and profit shows property investments—rent and charges £2,300,454 and £11,657; property trading and development—gross £2,218,711 and £545,014. Interest receivable was £92,905.

The group is still "firmly committed" to property investment as its foremost activity, which the Board believes will be an increasingly profitable one in the years ahead.

Of the directors' holdings, at March 31, 1971, Mr. O. M. Freshwater is shown to have 4,137,011 Ordinary shares—he is beneficially interested in 1,554,011 only of these, the remaining 2,583,000 being held or controlled by family trusts of which two of the trustees are Mr. Stern and Mr. Tobin. In addition companies con-

trolled by Mr. Freshwater, Mr. Stern and their respective families and family trusts owned 955,220 shares at March 31, 1971. (1,030,220)—at September 30, 1971, these had been reduced to 420,220 shares.

Other substantial interests include Eagle Star Insurance with 2,177,500 shares, and Mr. B. S. E. Freshwater with 2m. of which 1m. are held by a family trust.

Meeting, Great Eastern Hotel, E.C., November 10, noon.

### comment

Daejan's 55 per cent. share price rise to 78p since the beginning of this year only falls into perspective compared to the 60 per cent. jump in the F.T. property index over the same period. Still pre-tax profits are up by 8 per cent. but only after a larger contribution—percentage-wise and absolute—from property trading.

The report, however, stresses that residential investment is still the "foremost activity," which, in view of the recent boom in values, suggests that the April, 1970, valuation may be outdated. Even this plus something extra for the conservative nature of a professional valuation (compared to "real" break-up value) does not leave the shares looking under-valued on a 4.3 per cent. yield and 1970-71 book assets of 85p a share.

## Gieves name change and incentives

Following the policy of diversification into a limited number of other activities outside the traditional trade as tailors and outfitters the directors of Gieves brought under control. "A return of confidence to industry generally plus potential in its freedom of movement in the market and more normal trading conditions," he

The Board is studying the effects of entry in 1972 into the EEC and expects that the benefits of easier trading access to this large market, geographically closer than many where the group's goods are sold against international competition, will offset any challenge to Home market products.

As reported on September 17, pre-tax profit for the year to June 30, 1971, was £759,089 (£669,080) with a dividend of 15 per cent. (15 per cent.).

The group makes scientific apparatus and instruments, etc. Meeting, Winchester House, E.C., November 9, at 11.30 a.m.

### comment

Gallenkamp has come back quite sharply—from 160p to 137p—in the month since results which showed second half profits up only 9 per cent. before tax against a 19 per cent. rise in the opening months. That price movement may have been ill-timed. As the annual report points out, a postal strike is no on for a company which relies on order agents, a catalogue, and on the postal service when it is getting a new catalogue out. With the improved trend in current sales and the p/e down to 18.5, the least one can say for the shares is that their period of relative weakness should be over.

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## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. div.	Total year	Total last year
Anglo-Continental	(c) 2 1/2	—	5	2 1/2	5
Fothergill and Harvey Int.	6	—	6	—	15

\* Equivalent after allowing for scrip issue. † Amount per share.  
(a) Tax Free. (b) On Capital increased by rights and/or acquisition issues. (c) See Bids and Deals.

## ISSUE NEWS AND COMMENT

## Martin Ford offer at 55p per share

Lists open on Thursday, October 21, for the offer for sale by Singer and Friedlander of 3.7m. Ordinary 10p shares in Martin Ford at 55p per share.

Martin Ford retails, from 31 shops, a wide range of ladies' and teenage outerwear and accessories and separates (knitwear, blouses, skirts and sportswear) under its own label. All the shares are within a 65-mile radius of a central warehouse in Holloway.

At the present time about 80 per cent. of the merchandise sold by the company is purchased from independent suppliers, by far the greater part from manufacturers. The remaining 40 per cent. is purchased from its subsidiary Martin Ford Industries which does not itself manufacture but buys cloth and has blouses, skirts, dresses and sportswear made up to its own specification by a number of sub-contractors.

Turnover of the group has risen from £1.18m. in 1968-69 to £1.97m. in 1969-70. Pre-tax profits over the same period have jumped from £184,000 to £404,000. For the current year ending November 30, 1971, profits are forecast at £825,000 (after nine months the figure was £510,000), and the directors expect to recommend a final dividend of 15 per cent. On the basis of these profits in a full year dividends totalling 25 per cent. would be recommended. At the offer price the dividend yield would be 4.54 per cent., covered 1.47 times and the p/e 14.93.

Following the offer the directors and their families will be interested in 64 per cent. of the equity, and to the issue are L. Messel and Co.

At a time when some retailers are seeing a short-term squeeze in margins Martin Ford is coming to the market boasting a near doubling of margins in less than three years. They now stand at 27.2 per cent. which is absurdly high when considering the blue chip in the industry, Marks and Spencer, with its high freehold costs has margins of 12 per cent. Admittedly Ford has a big cash position but then if this was taken to earn an ambitious £100,000 margins would still

come out high at 22 per cent. With this buoyant margin trend and a useful base and a successful switch of market to the younger set, profits have more than trebled in the past three years including the forecast. Thus the share is being floated on a rating based on a comparatively short record. But while this may deter some initially, the fact that the company has been floated on a repeat performance in 1972 is likely to bring out a fair volume of investors. A premium, therefore, of at least 5p looks a Prospectus Page 28

### LARKFOLD

Permission to deal in the Ordinary 25p shares (issued capital £150,000) of Larkfold Holdings, Larkfold was formed to acquire the issued share capital of Demodora Tea. Both the Preference and Ordinary shares were acquired on a one-for-one basis. The arrangement was made because the directors were of the opinion that the shareholders of Demodora would be best served by their investment being held in shares in a U.K. holding company, rather than being directly held in Demodora, a U.K. company trading in Ceylon.

Abridged details Page 8

### MINSTER GROUP

Minster Insurance Company, wholly owned subsidiary in the Minster Assets Group, has increased its Ordinary capital to £4m. by the issue of 2m. new £1 Ordinary shares for cash at par to its immediate parent, Robert Bradford (Holdings).

Malvern Insurance Company, a subsidiary of Minster Insurance, has increased its capital to £1m. by the issue of 500,000 new £1 Ordinary shares for cash at par to Minster Insurance.

### TREASURY LOAN

The prospectus for the issue of the £600m. 8 per cent. Treasury Loan 2002-06 at 85p per cent. is published to-day. Prospectus Page 38

## UNIT TRUSTS

### JASCOT COMPOUND

Jascot Securities, based in Edinburgh, is making a further introductory offer of units in its Bond, 8 per cent. per annum yield an estimated 8 per cent. The offer closes on Wednesday, October 27, with a minimum investment of £50.

The new fund sets out to achieve above average capital growth and yield by the application of an investment system devised by brokers Myers and Co.

### comment

Jascot Compound is based on the theory that the risks involved in high yielding shares are often exaggerated and the managers intend to apply the 30 years old Myers' system in selecting stocks. By investing in not less than 30 high yielders, with not more than 20 per cent. in commodity shares, Jascot aims to give a combination of high yields and capital appreciation greater than that provided by the market as a whole. Ample statistics are used to guide the future and, given that the fund is an interesting addition to the industry, an investor would probably be unwise to put more than part of his portfolio in this fund.

Prospectus Page 28

### GUARANTEED GROWTH BOND

With effect from to-day, London Indemnity and General is withdrawing the Guaranteed Growth Bond. It is, however, prepared

### Muar River Rubber

CURRENT year outlook for the Muar River Rubber Company is that profit from rubber will be slightly lower than for 1970-71, states chairman Sir John D. Barlow, but it is hoped that income from dividends will be maintained.

The Rubber Study Group 1971 estimates indicate that world production and consumption are almost in balance. It points out, however, that currency uncertainties, American dock strike and import charges, as well as slacker major industrial countries, have contributed to bring the price of rubber to its lowest level for 20 years.

But there are signs, the chairman says, that industrial activity in the U.K. is picking up, which, if reflected in other industrial countries, will improve the price of rubber.

As reported on September 17, pre-tax profit for the year to March 31, 1971, was £272,463 (£295,256), with a dividend of 2p (2 1/2p) per 10p share.

Meeting, 10-15, Mincing Lane, E.C., November 10 at 2.30 p.m.

### CONSTELLATION

At the extra-ordinary meeting of Constellation Investments the Board would like to record the state of the company's investments.

Market values of the quoted investment portfolios of Constellation and its dealing subsidiary, Stellar Securities, totalled £806,546 at March 31, 1971, in addition there was a cash deposit of £284,589. For the year ended June 30, 1971, there was a pre-tax surplus on capital account of £30,034, while Stellar showed profits, before tax, of £14,563.

Since the year-end realisations have shown a surplus on capital account of £69,718 and profits on investment dealing of £7,445, total for the whole of 1970.

### LEOPOLD MINERALS

Metals Investment Pty., which holds over 50 per cent. of the capital of Leopold Minerals, has served notice on the Board of the removal of Mr. Allen D. Treloar, Mr. Geoffrey D. Brown and Mr. Peter G. Withshaw from the Board, and the appointment of 12r. Noel Galland, Mr. Paul R. Fletcher and Mr. John L. Anon in their places.

### ERITH TO PAY 2 1/2% MORE

THE directors feel there is little doubt that profits of Erith and Co. for 1971 will exceed the earlier £300,000 forecast to the extent that shareholders may look forward to a final dividend of 12 1/2 per cent.

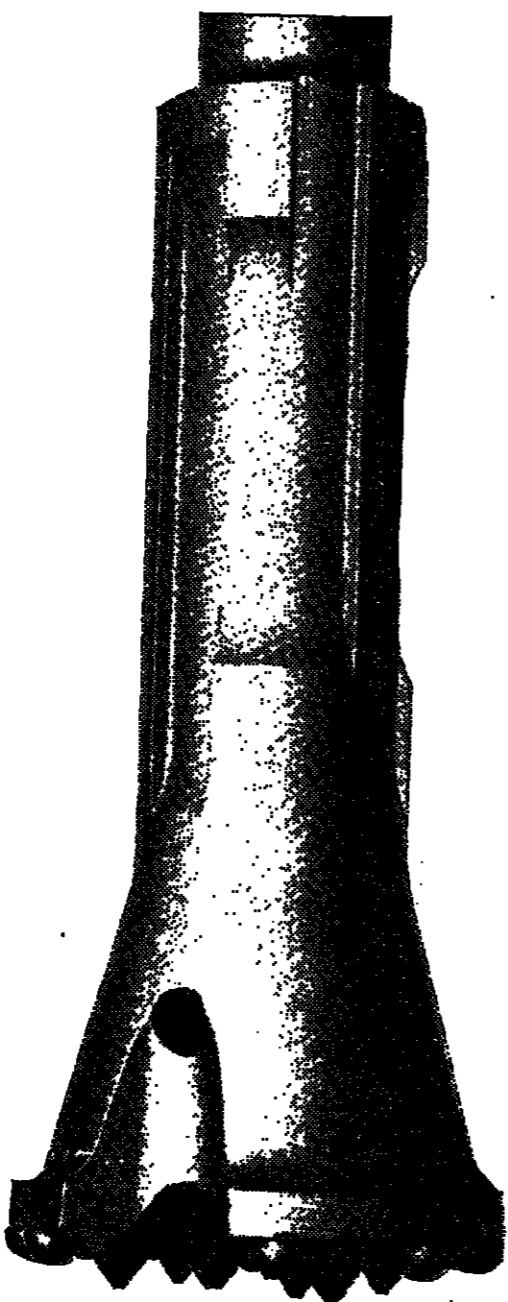
This would make a total of 22 1/2 per cent., compared with 20 per cent. in 1970. The interim dividend and half time results were reported Friday.

### CHELTEMHAM & GLOUCESTER BUILDING

Cheltenham and Gloucester Building Society has experienced high levels of business during the first 9 months of this year. Gross investment inflow rose by 41 per cent. to £44m.; net inflow rose £25m.

This expansion has made possible a dramatic increase in lending activity. Already this year the society has lent over £30m. a figure surpassing recent years.

total for the whole of 1970.



## We never bite off more than we can chew

When we carry through big projects—from start to finish—like power stations, housing developments, motorways, dams and factories it can be the little things that hold you up. But the resources of Tarmac are such that we frequently provide everything we need from within the Group. So we keep moving. In fact, our contribution to many contracts starts at rock bottom. We manufacture

rock drilling equipment, not only for use







# JASCOT COMPOUND

## 8% Plus Capital Growth

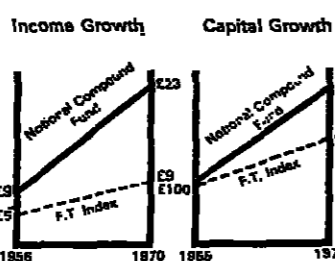
Introductory Offer of Jascot Compound Fund at  
25 pence until Wednesday 27th October 1971

"In the long run a portfolio composed of a considerable number of high yielding issues will produce better results than one composed of similar low yielding investments."—Myers & Co., 1939.

This latest unit trust by Jascot Securities of Edinburgh, from the man who pioneered commodity share funds, is another 'first'. Jascot Compound is based on an investment system devised more than 30 years ago by Myers & Co. and which in the last 15 years, in the shape of the Investors Chronicle's High Yield Portfolio, has time and again shattered the old adage that high yield precludes capital growth.

Jascot Compound is the first unit trust ever to base its investment policy on the principles underlying the Investors Chronicle's successful High Yield Portfolio series. Whilst there are other Unit Trusts giving a similar yield, no other one has deliberately set out, also to achieve capital growth through the systematic application of the fact that

£100 invested in 1955



These charts illustrate how both the income and capital of a high yield portfolio would have outstripped the average for the market as a whole had £100 been invested in a unit trust with Jascot Compound's investment rules in 1955. Source—Myers & Co., September 1971.

taken as a group, high yielding shares tend to be under-valued, and that their value has almost invariably outperformed the market as a whole in the long term.

Such a policy could not with reasonable security be applied to a small number of investments, each of which individually carries a potential risk but, because it is a Unit Trust, JASCOT COMPOUND will invest in not less than 30 high yielding, with not more than 20% in commodity shares. This policy has been shown to give a combination of high yields and capital appreciation greater than that provided by the market as a whole. It must be remembered, of course, that the price of units and the income from them can go down as well as up.

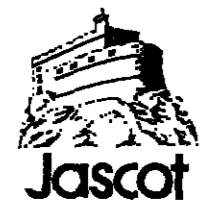
Jascot Compound Fund is a wider range trustee security. The buying (offer) price includes an initial charge of five percent. The annual charge is three eighths percent. After the close of this offer units will be available weekly on Mondays. Certificates will be issued within 28 days of the close of the offer. Income is distributed twice a year on 15th March and 15th September, (first payment 15th March 1972). If you prefer to accumulate the net income in the value of the units you can apply for Accumulation Units. Trustees—The Royal Bank of Scotland Limited, Investment Adviser—A. A. Thorman, Member of The Stock Exchange, London. Partner in Myers & Co. Managers—Jascot Securities Limited 21 Young Street Edinburgh EH2 4HU Telephone 031-225 6762.

### COMPOUND—HIGH YIELD COMPOUNDED WITH CAPITAL GROWTH

#### Application Form

To The Royal Bank of Scotland Limited, New Issues Department, P.O. Box 85, 36 St. Andrew Square Edinburgh EH2 2AG.

I wish to invest the sum of \_\_\_\_\_ (Min. £50) in units of Jascot Compound Fund and enclose a cheque for this amount payable to The Royal Bank of Scotland Limited. I/we declare that I/we are not acquiring the above mentioned securities as the nominee(s) of any person(s) resident outside these territories. (If you are unable to make this declaration, it should be deleted and the form lodged through your Bank, Stockbroker or Solicitor in the United Kingdom). This offer is open until Wednesday 27th October 1971.



Signature(s) (in case of joint applications all must sign)

Full Name(s) (as Mr, Mrs/Ms or Miss and full Christian names)

Address(es)

Please tick if you wish accumulation units ☐

J. K2. (FT/1)

## Wilson backing 4-yard UCS plan

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, Oct. 17.

MR. HAROLD WILSON, the Scottish TUC and the individual Opposition leader, identified the unions have shown in support of this inalienable right," said Mr. Wilson.

Mr. Wilson was referring to Mr. Davies's Commons statement of the Govan-Lighthouse told the delegates at a special conference of the Scottish Labour Party that "any outcome must include the Clydebank yard."

Clydebank is outside the reference of Govan Shipbuilders, the Government-backed company based on the Govan shipyard and Lighthouse steel fabrication unit.

With the possibility of a third unit (Scottish Shipbuilding) added, it justified a feasibility study.

Mr. Wilson claimed that "if the evidence of this past week has raised hopes about the number of jobs to be saved, if there are going to be fewer redundancies... it is because Mr. John Davies, Secretary for Trade and Industry, has retreated from the decision he announced at the end of July and maintained until the very last hour."

"He has been forced to retreat by the men of the Clyde asserting their right to work and by the British-wide backing that we have the Labour Party, the TUC, the

### Approved

Delegates to the conference approved a Scottish executive statement demanding that the whole of Scotland be declared a development area, the extension of the present special development area, the reintroduction of investment grants and other measures to alleviate unemployment.

Introducing the statement, Mr. William Ross, "shadow" Scottish Secretary, said: "The approach of the next Labour Government will be much more radical than anything we have seen in this country before."

## BEA Vanguards to be modified

BRITISH EUROPEAN AIRWAYS imposed a height limit of 10,000 ft to carry out modifications to the rear pressure bulkhead of all its Vanguard airliners. This is a further precaution by the airline following the crash of one of its Vanguards in Belgium last August in which 63 people died.

The British Aircraft Corporation has told Vanguard operators to check rear pressure bulkheads for corrosion, as evidence of corrosion in this area had been found.

At BEA's engineering base, each Vanguard has been tested for leaks through the rear pressure bulkhead. One aircraft was withdrawn from service so that the rear bulkhead structure could be dismantled and examined minutely by X-rays and other techniques.

The BEA statement said that some minor defects were found, but none which could compromise the structural integrity or safe operation of the aircraft. The modifications indicate that BEA is leaving nothing to chance pending the outcome of the official investigation or any further evidence that may come to light.

A few days after the accident,

## Growing demand seen for big crude cargo ships

BY JAMES McDONALD, SHIPPING CORRESPONDENT

LAMBERT BROTHERS (Shipping) has produced a forecast of the very large crude cargo (VLCC) shipping and tanker building market up to 1980. The study estimates that the final shipbuilding demand for VLCCs (ships of over 200,000 deadweight tons carrying oil or dry raw materials) between 1975 and 1980 will be between 79,500 and 82,600 deadweight tons, an average annual output of 16,500 tons.

Lambert says it has produced the study—available at £100 per copy—"at a time when the present low freight levels and declining interest in new building are presenting an opportunity for the shipping industry to pause for reflection before the upswing of the next cycle."

The first section examines the historical and future growth in energy consumption in the main consuming areas of the world—North America, Western Europe and Japan.

In the oil demand sector, after allowing for export demand, the following forecasts of oil demand are put forward: North America—1,170m. tons in 1980 compared with 830m. tons in 1975; Western Europe—1,230m. tons in 1980 as against 940m. tons in 1975; and Japan—505m. tons in 1980 as against 330m. tons in 1975.

These forecasts are then adjusted to take account of

future domestic crude production and product imports to arrive at the following crude oil requirements for Western Europe—2,900m. tons in 1980 compared with 1,750m. tons in 1975; Western Europe—1,090m. tons in 1980 against 815m. tons in 1975; and Japan—475m. tons in 1980 as compared with 300m. tons in 1975.

"For the whole of the free world, the quantity of crude oil requirements is expected to reach 1,460m. tons in 1975 and 2,105m. tons in 1980," says Lambert.

The report next analyses oil supply, which leads to an assessment by routes of the total tanker deadweight capacity required to carry crude oil in 1975 and 1980. Total requirements are estimated at 155.5m. deadweight tons in 1975 and 236.7m. in 1980.

After a port survey, which takes account of known and expected schemes for development, the forecast of total tanker demand is translated into potential VLCC demand which, in 1975, amounts to 139.4m. tons and in 1980 to 212m. tons. From 1975 to 1980 the study examines the tanker and VLCC supply in order to "derive the new building demand for VLCCs."

Other sections of the report cover: terminal development; replacement demand; and combined carriers.

## MERRILL LYNCH, PIERCE, FENNER & SMITH SECURITIES UNDERWRITER LIMITED

is pleased to announce that their European  
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96 Avenue d'Iena  
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Telephone 359 23 69  
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## Fidelity bonds urged for ex-offenders

FINANCIAL TIMES REPORTER

INSURANCE COMPANIES should find it economic to provide a special type of bond to enable ex-offenders to find "white collar" work, according to Apex Charitable Trust, a Home Office-supported employment agency.

A report published by Apex yesterday suggests that there is a one-in-three chance of a man being found guilty of a standard list offence during his lifetime, and that there may be as many as 337,298 people in the white collar category who have been convicted of at least one offence. Those workers might be barred from jobs to suit their qualifications because more and more employers are seeking a block fidelity bond—a guarantee issued by an insurance company of the honesty and integrity of all the employees of a concern.

Mr. F. Penning, director of Apex, said yesterday that the numbers who might be affected by the problem made it a matter for "urgent action."

The report recommends a special bond to cover an employee in one post in a specific company. The arrangement would require the employment history and convictions of the man to be known to both the employing company and the insurance company, and Apex could act as the controlling agency.

## Australian-built Chrysler cars for U.K.

CHRYSLER HAS decided to import its Australian-built Charger 770, Regal and Regal Estate cars into Britain.

At a price of £3,000 for the two saloon cars and £3,300 for the estate, they will be easily the most expensive in the Chrysler range.

The Charger two-door fastback and the Regal four-door saloon are both large, roomy cars with powerful engines in the Australian tradition.

The Charger has a 5.2-litre V8, which gives it a top speed of well over 100 mph. The Regal has a 4.5-litre six-cylinder, and automatic transmission as standard.

Sales of the Australian cars are likely to be limited because of their high prices. Ford already imports a few of its Australian-built cars into Britain to meet special needs, and Chrysler for a time sold Australian-built Valentines here.

## Small companies' role in industrial innovation

BY DAVID WALKER

SMALL COMPANIES contribute more to industrial innovation in Britain than their share of research and development expenditure would suggest, according to one of the two latest research reports commissioned by the Bolton Committee of Inquiry on Small Firms.

At the same time, the report, prepared by Sussex University Science Policy Research Unit and published this morning, reveals that the proportion of innovations from small companies is less than their share of total employment or net industrial output.

The findings are the result of a study of over 1,300 post-war innovations—defined as the first commercial introduction of a product, process or system in British industry.

Companies with fewer than 200 employees in manufacturing were responsible for 10 per cent of the innovations looked at. In comparison, it points out, their shares of employment and production in 1958—midway through the relevant period—were 25 per cent and 21 per cent respectively.

The innovations from small companies were concentrated

largely in a few industries, particularly scientific instruments, electronics and machinery. They made little or no contribution to areas of high capital intensity.

Instead, their major role is said to lie mainly in the field of machinery and instrument innovations, where both capital intensity and development costs are low for many products and entry costs are low for new businesses.

The results of the survey still leave plenty of room for argument, the report stresses. Problems regarding both the completeness of the list of innovations and the weighting of innovations in terms of significance make that inevitable.

The second Bolton Committee research report, out to-day, calls for more help to be given to owners of small shops, both in terms of meeting their own needs and through the removal of "the serious impediments which at present exist to the access of small independent retailers to sites in shopping centres."

The report also advocates the setting up of small business centres and the exemption of small businesses from the Redundancy Payments Act.

### APPOINTMENTS

## Quinton Hazell group posts

Mr. Peter Dighton, who joined the QUINTON HAZELL (HOLDINGS) group in 1955 has become deputy group managing director.

Mr. Roger Selby, managing director, W. H. Briscoe, has been made a director of the holdings. He also becomes chairman of three of the group's four motor component manufacturing divisions. These are the cooling, steering, and suspension rod and transmission (C R and T) divisions.

Mr. Rod Sugden, deputy managing director of W. H. Briscoe, has been appointed director of the holdings Board director and managing director of T division.

Mr. Morris Hazell has relinquished his directorship of Partco to be an associate director of the holdings. He has also been appointed as personal assistant to Mr. Dighton.

Mr. Eric W. Smith has been appointed managing director of the newly-formed company ABLE BUILDING COMPONENTS LTD. (Sheffield).

Mr. R. L. Glaisber has been appointed to the new post of director of the INSTITUTE OF OFFICE MANAGEMENT.

Mr. J. O. Keeling has been appointed to the Boards of BAMBORDES and its subsidiary BAMBORDE STRUCTURES.

Mr. Alan Mitchell has been appointed an executive local director of the Nottingham District of BARCLAYS BANK from November 15 and will be succeeded by Mr. Donald C. Major has been appointed managing director of PRIMARC (JIGS AND LAMPS).

The list of appointments will be opened and closed on Wednesday, the 28th October, 1971.

## 8 PER CENT. TREASURY LOAN, 2002-2006

ISSUE OF £600,000,000 AT £95 PER CENT.

PAYABLE IN FULL ON APPLICATION

Interest payable half-yearly on the 5th April and the 5th October.

This Loan is an investment falling within Part II of the First Schedule to the Trustee Act 1925, subject as regards securities payable to the provisions of Section 7 of the Trustee Act 1925. Application has been made to the Registrar of the Stock Exchange, London, for permission to deal in and for quotation on the London Stock Exchange.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorized to receive applications for the above Loan.

Interest on the Loan will be free of income tax so long as it is shown to the satisfaction of the Revenue Commissioners that the interest is payable to the holder in whole or in part by drawings or otherwise, at par on or after the 5th October, 2002, on savings not less than three months' notice in the London Gazette.

The Loan will be issued in the form of stock which will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable by multiple of one new penny, by instrument in writing in accordance with the Transfer Act 1962. The Loan will be free of stamp duty.

On or after the 1st May, 1972, stock may be exchanged into bonds to which will be available in denominations of £100, £200, £500, £1,000, £5,000, £10,000 and £20,000. Bonds will be free of stamp duty.

Stock will be interchangeable with bonds without payment of any fee. Interest will be payable half-yearly on the 5th April and the 5th October. The first payment will be made on the 5th April, 1972, at the rate of 8 per cent per annum on the nominal value of the Loan.

Stock and bonds of this issue and the interest payable thereon will be exempt from all United Kingdom taxation, present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons who are not domiciled nor ordinarily resident in the United Kingdom or of persons who are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tax.

Further, the interest payable on stock or bonds of this issue will be exempt from United Kingdom income tax, present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom or of persons who are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tax.

These exemptions will not entitle a person to claim repayment of tax deducted from interest unless the claim to such repayment is made within the time limit provided for such claims under income tax law; under the provisions of the Finance Management Act 1970, Section 6 (1), no such claim will be outside this time limit if it is made within six years from the date on which the interest is payable, or in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, relating to the avoidance of taxation by persons domiciled, resident, or ordinarily resident in the United Kingdom, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purposes of the Income Tax Acts as income of any person resident or ordinarily resident in the United Kingdom.

Applications, which must be accompanied by payment in full for the stock or bonds, will be received at the Bank of England, Loans Office, 1 & 2 Bank Buildings, Princes Street, London, EC2R 8EU; a separate cheque must accompany each application. Applications must be for £100 or a multiple thereof. No allotment will be made for a less amount than £100 of the Loan. Letters of allotment in the Loan allotted will be despatched by post at the discretion of the Bank of England. The amount allotted will be refunded by cheque.

Letters of allotment may be sent in denominations of multiples of £100. The amount allotted will be paid to the holder of the stock or bonds by post on or after the 1st May, 1972. A commission at the rate of 12½ p.p.c. of the Loan will be paid to brokers or stockbrokers on allotments made in respect of applications bearing their names. Prospectuses and application forms may be obtained at the Bank of England, Loans Office, 1 & 2 Bank Buildings, Princes Street, London, EC2R 8EU; at the branches of the Bank of England; at the Bank of Ireland, Belfast; from Messrs. Jullien & Co., 15 Moorgate, London, EC2R 6AN; or at any Stock Exchange in the United Kingdom.

BANK OF ENGLAND, LONDON.

18th October, 1971.

THIS FORM MAY BE USED

The list of applications will be opened at 10 a.m. on Wednesday, the 20th October, 1971, and will be closed on the same day.

8 PER CENT. TREASURY LOAN, 2002-2006

ISSUE OF £600,000,000 AT £95 PER CENT.

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

I/we request you to allot to me/us in accordance with the terms of the prospectus dated the 18th October, 1971, (a) £ \_\_\_\_\_

and (b) £ \_\_\_\_\_ of the Loan, being the sum of £ \_\_\_\_\_ of the Loan allotted to me/us by post at my/our request.

The sum of (b) £ \_\_\_\_\_ being the amount required for payment in full (namely 85 p.p.c. for every £100 of the Loan allotted to me/us by post at my/our request).

I/we declare that the applicant(s) is/are not resident outside the United Kingdom and that the security is not being acquired by the applicant(s) as the nominee(s) of any person(s) resident outside the United Kingdom.

SIGNATURE \_\_\_\_\_

Date \_\_\_\_\_, 1971

Name in full \_\_\_\_\_

(State title or whether Mr, Mrs, or Miss)

Address \_\_\_\_\_

Block Letters

(a) Applications must be for £100 of the Loan or a multiple thereof, and should be lodged at the Bank of England, Loans Office, 1 & 2 Bank Buildings, Princes Street, London, EC2R 8EU.

(b) A separate cheque must accompany each application. Cheques should be payable to "Bank of England" and application. Cheques should be made to an Authorized Depository or, in the Irish Republic, to the Depository, through whom loanholders may be effected. Authorized banks, stockbrokers and solicitors practicing in the United Kingdom and the Irish Republic are listed in the Bank of England's Notice EC 10.

(c) The Scheduled Territories presently comprise the British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, Kingdom of Jordan, Kuwait, Libya, Qatar, South Africa and South West Africa, Western Samoa, the People's Democratic Republic of Yemen.

هكذا عند العمل

# SINGER & FRIEDLANDER LIMITED

## Offer for Sale 3,700,000 Ordinary shares of 10p each at 55p per share

### Payable in full on application

# MARTIN FORD LIMITED

(Incorporated under the Companies Act 1929)

### SHARE CAPITAL

Authorised  
£1,250,000 in 12,500,000 Ordinary shares of 10p each

Issued and fully paid  
£1,000,000

On 1st October 1971 neither the Company nor any subsidiary had outstanding any loan capital, loans, bank overdrafts or other similar indebtedness, mortgages, debentures, charges, hire-purchase commitments or (save for liabilities arising in the ordinary course of business) any guarantees or other material contingent liabilities. The Ordinary shares now offered rank for all dividends hereafter declared or paid on the issued ordinary share capital of the Company.

Applications (which must be for a minimum of four hundred shares and in multiples of two hundred shares up to two thousand shares, in multiples of five hundred shares up to ten thousand shares, in multiples of two thousand shares up to twenty thousand shares, and thereafter in multiples of five thousand shares) must be made on the Application Forms provided and forwarded to Singer & Friedlander Limited, New Issue Department, Walker House, 87 Queen Victoria Street, London, EC4V 4AN to arrive not later than 10 a.m. on Thursday, 21st October 1971. Each Application Form must be accompanied by a separate cheque (drawn on a bank or branch thereof in England, Scotland or Wales) in respect of the full amount payable on application made payable to Singer & Friedlander Limited and crossed "A/C Not Negotiable". No application will be considered unless the above conditions are fulfilled. Singer & Friedlander Limited reserves the right to present all cheques for payment.

Copies of this Offer and Application Forms can be obtained from:-

**Singer & Friedlander Limited**  
New Issue Department, Walker House, 87 Queen Victoria Street, London EC4V 4AN  
123 Hagley Road, Edgbaston, Birmingham B16 8LP  
Westminster House, Park Row, Leeds LS1 5BQ  
33 Bridge Street, Nottingham NG1 2EQ  
14 St. Vincent Place, Glasgow G1  
**National Westminster Bank Limited**  
41 Lombury, London EC2R 7JH  
4 Mitcham Road, London SW17 9NB  
490 Holloway Road, London N7 6JB  
**L. Messel & Co.**  
Winchester House, 100 Old Broad Street, London EC2P 2HX

A copy of this Offer for Sale, having attached thereto the documents referred to below, has been delivered to the Registrar of Companies for registration.

on receipt, to retain Letters of Acceptance and surplus application moneys pending the clearance of all cheques and to reject multiple applications and suspected multiple applications.

Preferential consideration will be given in respect of a maximum of 370,000 Ordinary shares to applications made by Group employees including Directors (other than the Vendors to Singer & Friedlander Limited of the shares now being offered for sale) on the special forms provided for the purpose. Such applications must be for a multiple of 100 shares with a minimum of 100 shares.

Acceptance of applications will be conditional upon the granting of permission to deal in and quotation for the whole of the issued share capital of the Company by the Council of the Stock Exchange, London, not later than 29th October 1971. Moneys paid in respect of applications will be returned if such permission and quotation have not been granted by that date and, in the meantime, will be retained in a separate account.

If any application is not accepted the amount paid on application will be returned in full and, if any application is accepted for fewer shares than applied for, the balance of the amount paid on application will be returned by cheque through the post, in either case at the applicant's risk.

Letters of Acceptance will be renounceable up to and including 10th December 1971. The shares now being offered for sale will be registered free of stamp duty and registration fees in the names of the purchasers or persons in whose favour Letters of Acceptance have been renounced, provided that, in the case of renunciation, Letters of Acceptance duly completed in accordance with the instructions contained therein are lodged for registration on or before 10th December 1971. Share certificates will be ready for delivery on and after 7th January 1972 when they will be posted to those entitled at the applicant's risk.

**Directors**  
MARTIN FORD, Flat 11, 2 Avenue Road, London, N.W.8 (Chairman)  
HAROLD FORD, Flat 9, 2 Avenue Road, London, N.W.8 (Joint Managing Director)  
MICHAEL DENNIS FORD, 14 Church Mount, London, N.2 (Joint Managing Director)  
MERVYN STUART FORD, 156 The Pantheon, Stuart Towers, Edgware Road, London, W.9  
PHILIP SHAW, 45 Leaver Gardens, Western Avenue, Greenwich, Middlesex  
STUART RAPERPORT, 33 Torrington Park, Finchley, London, N.12

**Bankers**  
NATIONAL WESTMINSTER BANK LIMITED  
4 Mitcham Road, London, SW17 9NB

**Brokers**  
L. MESSEL & CO.  
Winchester House, 100 Old Broad Street, London, EC2P 2HX  
and The Stock Exchange, London

**Solicitors**  
To the Company: A. KRAMER & CO.  
40 Portland Place, London, W1N 4BA  
To the Offer: HERBERT OPPENHEIMER, M.A. & VANDYK  
20 Copthall Avenue, London, EC2R 7JH

**Auditors**  
KERSHEN, FAIRFAX & CO. (Chartered Accountants)  
26 Dorset Street, London, W1H 4BU

**Reporting Accountants**  
Peat, Marwick, Mitchell & Co. (Chartered Accountants)  
11 Ironmonger Lane, London, EC2P 2AR

**Secretary and Registered Office**  
MERVYN STUART FORD  
Eden House, 451/453 Holloway Road, London, N7 6LJ  
**Registrar of Companies**  
SINGER & FRIEDLANDER LIMITED  
Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

### HISTORY

The Company was incorporated on 2nd February 1947 as a private company, and on 27th November 1947 it acquired the retail business and shop premises of the late Mrs. S. Ford, formerly of 123 Hagley Road, Edgbaston, Birmingham. The Company was then known as "Singer & Friedlander Limited" and was acquired with effect from 1st December 1970 by the Company on 7th October 1971. City & Provincial Holdings Limited ("City & Provincial") was incorporated on 4th October 1961 under the name "Singer & Friedlander Limited" (adopting its present name on 14th December 1961) as a wholly owned subsidiary of the Company for the purpose of holding some of the Group's properties. All three companies were incorporated in England. They are collectively referred to as "the Group".

### BUSINESS

In 1925 Mrs. S. Ford, mother of the present Chairman, opened a shop in Tooting selling handbags and gloves. Two years later a second shop was opened in Peckham and ladies' underwear was introduced. By 1939 a total of eight shops had been opened, of which two were destroyed during the war. Since 1947 the chain has been expanded to its present total of 31 shops spread over the names of Martin Ford, mainly in London and the Home Counties. The average selling area of a shop is about 1,000 square feet; the shop locations, all first class trading positions in main shopping areas, are set out below:-

**Basingstoke:** New Town Centre  
**Bedford:** Silver Street  
**Brighton:** Western Road  
**Burnley:** High Street  
**Chatham:** High Street  
**Clapham:** St. John's Road  
**Croydon:** North End  
**East Ham:** High Street North  
**Hammersmith:** King Street  
**Harrow:** Seven Sisters Road  
**Hornsey:** High Street  
**Ilford:** High Road  
**Kilburn:** High Street  
**Lewisham:** High Street  
**Luton:** George Street  
**Maidstone:** West Street  
**Northampton:** Abington Street  
**Peckham:** Rye Lane  
**Purley:** High Street  
**Reading:** Broad Street  
**Ramford:** South Street  
**Slough:** High Street  
**Southend-on-Sea:** High Street  
**Stoke Newington:** High Street  
**Tooting:** High Street  
**Upton Park:** Green Street  
**Waltham:** High Street  
**Westley:** High Road  
**Wood Green:** Chiswick High Road  
**Woolwich:** Powis Street

The Company retains under its own label a wide range of ladies' and teenage outerwear and accessories and specialises in separates (jackets, blouses, skirts and sportswear). The Company does not seek to establish a retail presence in the home counties but does have a number of branches in the Midlands and the South. The Company's retail outlets are all in the popular price range and great importance is attached to ensuring maintenance of a high standard of quality. All sales are for cash.

At present time about 40 per cent. of the merchandise is purchased from independent suppliers. The Company is far the greater part from manufacturers. At any given time one or two such suppliers might supply up to 10 per cent. of these purchases. There are a considerable number of suppliers and the Company does not rely to any large extent on any single supplier for a particular range or category of product nor does it enter into long term supply contracts. The remaining 60 per cent. of the merchandise is not purchased from independent suppliers but is manufactured by the Company from a wide range of materials and has blouses, dresses and sportswear made up to its own specifications by a number of subcontractors, of whom its most important is a substantial contractor, Industries who works closely with its subcontractors in maintaining quality control.

About 25 per cent. of the Company's sales are currently imported: some 20 per cent. from the Far East and 5 per cent. from Western Europe. Neither the Company nor Industries sells any significant amount of cloth or made up goods other than through the Company's retail outlets.

All the shops are within a 65 mile radius of a central warehouse in Holloway (the majority being in the Greater London area) and are supplied by vans from a central depot in the warehouse. The speed at which sales information is received and restocking of branches is largely based upon these analyses. The speed at which sales information is received and the proximity of the branches to the warehouse facilitates exceptionally rapid restocking and servicing, which in turn ensures that any change in the pattern of customer spending can be catered for without delay. The Company's security measures together with a system of continuous branch checking has resulted in stock losses being kept to a negligible level.

The warehouse has recently been substantially extended and now has the capacity to service a considerably greater number of branches than those in existence. Further, the Directors are of the opinion that within the geographical area recently served there is ample scope for the introduction of additional outlets. Leases for two new shops have recently been secured and terms have been agreed for a third, in all of which trading is scheduled to start in 1972; in addition negotiations are in hand for further shops. The Directors intend actively to seek additional outlets within the existing area, whilst also considering new areas.

### PREMISES

Ten of the Group's existing shop premises are freehold and the remaining twenty-one are leasehold. Two of these leases have unexpired terms in excess of 50 years, one having rent reviews in 1980 and twice thereafter; nine have unexpired terms of between 10 and 49 years, and seven of these are subject to rent reviews or increases of which at least one each falls during the period up to 1980; the remaining ten leases have unexpired terms of less than 10 years, two having rent reviews. The total annual rental currently payable by the Group in respect of its existing leasehold shops is approximately £25,000. Certain parts of these freehold and leasehold premises including two former shops are let to tenants or sub-tenants of the Group at an aggregate annual rental of approximately £15,000. The two new shops in which trading is scheduled to start in 1972 are the subject of agreements for leases the terms of which will be 21 years at a total annual rental (subject to reviews) of £7,750.

The Group head office and warehouse is at Eden House, 451/453 Holloway Road, London, N.7, and is let on a lease for an unexpired term of 65 years at a rental throughout the term of £105 per annum. The Group occupies the ground and first floors which comprise 2,700 sq. ft. of office and 16,848 sq. ft. of warehouse accommodation. The second and third floors (comprising an area of 14,290 sq. ft.) are sub-let for a term expiring in 1984 at a rental of £2,000 per annum. The leasehold of a former head office and warehouse of the Group has been sub-let at a rental of £1,350 for the remaining six years of the unexpired term.

In September 1971 Healey & Baker, surveyors, valued the Group's freehold properties at £1,087,500 and this figure has been written into the books and incorporated in the statement of net assets in the Accounts Report.

### MANAGEMENT AND STAFF

Mr. Martin Ford, the Chairman, is aged sixty-five and has been with the business since its inception in 1925. He is responsible for the overall management of the Group.

Mr. Harold Ford, Joint Managing Director, is aged sixty-two, has been with the business since 1925 and is responsible for the branch expansion programme as well as warehouse and despatch.

Mr. Michael D. Ford, Joint Managing Director, aged thirty-six has been with the business eighteen years and is responsible for purchasing. He is also Managing Director of Industries and is responsible for head office administration.

Mr. Philip Shaw, aged fifty, has been with the Company fourteen years and is responsible for head office administration. Mr. Mervyn S. Ford, aged twenty-seven, and Mr. S. Raperport, aged thirty-four, both of whom have been employed by the Company for over ten years, are jointly responsible for shop supervision and stock control.

The Group employs approximately 450 personnel of whom about half are part-time. Each shop has a manager and is supervised by an area supervisor. The staff includes 40 employees at the head office and warehouse as well as several teams of window dressers who are responsible for specialist displays.

It is the intention of the Directors to institute a contributory pension scheme shortly, the cost of which will be significant in relation to the Group's profits.

### WORKING CAPITAL

The Directors are of the opinion that the Group has sufficient working capital for its present requirements.

### PROFITS, PROSPECTS AND DIVIDENDS

The marked increase in profitability during the past three years is attributable to a number of factors including the adoption of the present buying policy, emphasis on sales to the younger market, the introduction of the rapid sales reporting and stocking procedures referred to above, the acceleration of shop modernisation and the opening of new branches. The Directors see further scope for growth of profits from the completion of the modernisation programme.

As can be seen from the Accounts' Report the profit before tax for the 9 months to 4th September 1971 amounted to £510,487. The Directors are of the opinion that in the light of subsequent trading to date and in the absence of any unusual circumstances profits before tax for the year ending 30th November 1971 will not be less than £625,000, whereas circumstances profits before tax for the year ending 30th November 1970 were £425,000.

On the basis of a full year in which pretax profits totalled £625,000 the Directors would expect to pay an interim dividend of 10 per cent. in or about September and to recommend a final dividend of 5 per cent. for payment in or about April.

### DIVIDEND YIELD, PRICE EARNINGS RATIO AND COVER

The appropriation of profits of £625,000 on the basis of Corporation Tax at 40 per cent. and of dividends for a full year at 25 per cent. would be as follows:-

Profit before taxation	£625,000
Less estimated Corporation Tax at 40 per cent. but also allowing for depreciation and amortisation for which no tax relief is obtainable	£257,000
Profits after taxation	£368,000
Dividend (gross) of 25 per cent. on £1m. Ordinary Share capital	£250,000
Leaving for retention in the business	£118,000

On this basis, at the offer price of 55p per share the gross dividend yield would be 4.54 per cent., the dividend would cover 1.47 times and the price earnings ratio would be 14.95.

### ACCOUNTANTS' REPORT

There is set out below a copy of a joint report received from Kershen, Fairfax & Co. and Peat, Marwick, Mitchell & Co., respectively the Auditors and Reporting Accountants.

14th October 1971.  
SINGER & FRIEDLANDER LIMITED  
INGERS & FRIEDLANDER LIMITED.

We have examined for the periods relevant to this report the audited accounts of Martin Ford Limited ("the Company") and its subsidiaries (together "the Group") for the periods relevant to this report. The Company was acquired on 7th October 1971 in exchange for the issue of 7,000 Ordinary shares of £1 each in the Company. The Company and its subsidiaries are referred to collectively as "the Group". We report as follows:-

Profits: The combined turnover and profits of the Group for the ten years ended 30th November 1970 and for a period to 4th September 1971, arrived at on the basis stated below, were as follows:-

Turnover	Profits before depreciation and amortisation	Depreciation and amortisation	Profits before taxation
(1)	(2)	(3)	(4)
Year ended 30th November 1961	1,136,000	175,538	155,889
do. do. 1962	1,250,000	174,528	155,472
do. do. 1963	1,333,000	228,530	204,470
do. do. 1964	1,351,000	233,222	217,778
do. do. 1965	1,380,000	207,915	232,085
do. do. 1966	1,256,000	180,988	205,012
do. do. 1967	1,282,000	218,983	203,017
do. do. 1968	1,282,000	226,202	205,798
do. do. 1969	1,583,000	296,918	228,082
do. do. 1970	1,569,000	428,422	200,578
Period 1st December 1970 to 4th September 1971	1,870,000	528,834	810,497

(i) The combined profits set out in column (4) above are stated before charging taxation but after charging all working expenses, including interest and Director emoluments, and after making such adjustments as are considered appropriate.

(ii) Depreciation and amortisation shown in column (3) is provided (a) in respect of leasehold properties on a straight line basis over the respective lease periods (b) on the initial cost of the property and on motor vehicles at varying rates to their estimated useful lives, the cost of renewals of fixtures and cash registers being charged against profits as and when incurred. No depreciation is charged on freehold properties.

(iii) The profits included in columns (2) and (4) above in respect of Industries for all accounting periods up to 30th September 1969 are for the period to 30th November 1970 have been ascertained to the appropriate years ended 30th November on a time basis.

(iv) Detailed stock records at accounting dates prior to 30th November 1967 for the Company and prior to 30th September 1967 for Industries are not now available and Peat, Marwick, Mitchell & Co. are therefore unable to confirm that such stocks were correctly ascertained and valued on proper and consistent bases; accordingly they are unable to confirm the profits shown in columns (2) and (4) above in respect of years up to and including that ended 30th November 1967. Such records were however available to Kershen, Fairfax & Co. at the time of their audit and they were satisfied that such stocks were correctly ascertained and valued on proper and consistent bases.

(v) The aggregate emoluments of the Directors of the Company for the year ended 30th November 1970 and for the period ended 4th September 1971 amounted to £44,067 and £36,155 respectively. Under arrangements now in force, these would have amounted to £52,250 and £39,750.

2. Net Assets: The net tangible assets of the Company and of the Group based on their audited balance sheets at 4th September 1971 adjusted to take account of the acquisition of Industries subsequent to that date by the Company, and the estimated expenses in connection with the Offer for Sale, were as follows:-

The Company	Cost or valuation	The Group	Cost or valuation
Depreciation and amortisation	£	Depreciation and amortisation	£
Fixed Assets:		Fixed Assets:	
Freehold Properties at valuation (note (i))	757,500	Freehold Properties at valuation (note (i))	1,087,500
Long Leasehold Properties at cost	52,184	Long Leasehold Properties at cost	203,084
Short Leasehold Properties at cost	66,803	Short Leasehold Properties at cost	183,588
Fixtures and Cash Registers at cost	133,114	Fixtures and Cash Registers at cost	212,489
Motor Vehicles at cost	14,342	Motor Vehicles at cost	28,439
	£1,024,043		£1,715,120
	£202,378		£228,538
	£1,226,421		£1,486,582
Investment in Subsidiary Company:		Investment in Subsidiary Company:	
Shares at Cost	1,000	Shares at Cost	1,000
Amount due from subsidiary	281,104	Amount due from subsidiary	281,104
	282,104		282,104
Current Assets:		Current Assets:	
Stock	237,746	Stock	270,505
Debtors and Prepayments	28,646	Debtors and Prepayments	27,366
Cash and Short Term Deposits	785,323	Cash and Short Term Deposits	980,489
	£1,051,715		£1,278,360
Current Liabilities:		Current Liabilities:	
Accruals and Unpaid Charges	55,273	Accruals and Unpaid Charges	110,437
Current Taxation	213,116	Current Taxation	243,329
	£268,389		£353,766
Net Current Assets	783,326	Net Current Assets	924,594
Less: Corporation Tax payable 1st January 1973	£2,089,473	Less: Corporation Tax payable 1st January 1973	£2,411,176
	191,000		200,948
	£1,598,473		£2,210,228
Add: Cost of the whole of the share capital of Industries being the value attributed to the shares in the Company issued as consideration therefor.	220,000	Add: Cost of the whole of the share capital of Industries being the value attributed to the shares in the Company issued as consideration therefor.	220,000
Less: Amount due to Industries.	3,473	Less: Amount due to Industries.	3,473
	216,527		216,527
	£1,815,000		£2,426,755
Less: Expenses of Offer for Sale	£2,059,500	Less: Expenses of Offer for Sale	£2,210,228
	£1,755,500		£2,216,527

(i) The freehold properties were valued in September 1971 by Healey & Baker on the basis of their present open market value. The value of £1,087,500 has been arrived at by reference to the books of the Group as at 4th September 1971. No provision has been made for corporation tax on any capital gain which might arise on the disposal of the properties at these valuations, which, it is estimated, at current rates of tax would not exceed £115,000.

(ii) There were commitments for capital expenditure at 4th September 1971 for £12,000.

3. Dividends have been paid by the Company in respect of any period covered by this Report.

4. Accounts: No audited accounts have been prepared for the Group in respect of any period subsequent to 4th September 1971.

Yours faithfully,  
KERSHEN, FAIRFAX & CO.  
PEAT, MARWICK, MITCHELL & CO.

### STATUTORY AND GENERAL INFORMATION

Offer for Sale: Under Contract No. (2) below, Singer & Friedlander Limited has agreed (subject to permission to deal in and quotation for the whole of the issued share capital of the Company being granted by the Council of the Stock Exchange, London not later than 29th October 1971) to purchase 3,700,000 fully paid Ordinary shares of 10p each of the Company at a price of 55p per share. The costs, charges and expenses of and incidental to the acquisition of Industries and this Offer for Sale, the amendment of the Memorandum and Articles of Association of the Company, the amendment of the Memorandum and Articles of Association of the Company, the quotation fees payable to The Stock Exchange, London, all legal, accountancy and valuation expenses, all capital and interest on the aggregate and are payable by the Company. Singer & Friedlander Limited is paying an underwriting commission of 1 1/2 per cent. on the price at which the shares are being offered for sale and a fee to the Brokers.

Capital: On the 7th October 1971 the authorised share capital of the Company was increased from £1,250,000 divided into 12,500,000 Ordinary shares of 10p each to £1,500,000 divided into 15,000,000 Ordinary shares of 10p each. On 7th October 1971 the authorised share capital of the Company was increased from £1,250,000 divided into 12,500,000 Ordinary shares of 10p each to £1,500,000 divided into 15,000,000 Ordinary shares of 10p each. On 7th October 1971 the authorised share capital of the Company was increased from £1,250,000 divided into 12,500,000 Ordinary shares of 10p each to £1,500,000 divided into 15,000,000 Ordinary shares of 10p each.

On 14th October 1971 the 133,000 Ordinary shares of £1 each of the Company were subdivided into 1,330,000 Ordinary shares of 10p each, the authorised share capital was further increased from £1,500,000 to £1,500,000 by the creation of an additional 11,770,000 Ordinary shares of 10p each. The Company was converted into a public company and adopted New Articles of Association, and 8,670,000 Ordinary shares of 10p each were allotted credited as fully paid to the shareholders of the Company by way of capitalisation of reserves.

Both Industries and City & Provincial are wholly owned subsidiaries of the Company: the issued share capital of Industries is £3,000 divided into 3,000 Ordinary shares of £1 each and the issued share capital of City & Provincial is £1,000 divided into 1,000 Ordinary shares of £1 each.

Articles of Association: The Articles of Association of the Company contain provisions (inter alia) to the following effect:-

(i) At general meetings every member who is present in person shall have one vote on a show of hands and upon a poll every member present in person or by proxy shall have one vote for every Ordinary share of which he is the holder.

(ii) Directors shall be entitled to receive such fees as the Company may determine in General Meeting.

(iii) The Directors shall also be entitled to be paid their reasonable travelling, hotel and other expenses incurred whilst engaged on the business of the Company. Any Director who performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such extra remuneration as the Directors may determine.

(iv) The Directors may from time to time appoint one or more of themselves to be Executive Directors for such period and upon such terms as they may determine.

(v) A Director may contract or be interested in any contract or arrangement with the Company, hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director, and may act in a professional capacity for the Company, without being accountable for any profits or advantages accruing to him.

(vi) Except in the cases provided for in Article 94, a Director may not vote in respect of contracts or arrangements in which he is interested.

(vii) A Director may be counted in the quorum present at any meeting at which he or any other Director is appointed to any office or place of profit under the Company or any other company or where the terms of such an appointment are considered or varied, but he may not vote in relation to his own appointment, or the terms thereof.

(viii) Borrowings of the Company (or for its purposes of contract or arrangement) by its subsidiaries (excluding inter-company borrowings) shall not without the previous sanction of an ordinary resolution exceed twice the aggregate of the nominal amount of the issued and paid up share capital of the Company and consolidated capital and revenue reserves (defined in the Articles of Association and adjusted as therein mentioned) of the Company and its subsidiaries.

(ix) The statutory provisions as to an age limit for Directors do not apply and a Director is not required to hold any shares to qualify him for office.

Contracts: The following contracts (not being contracts entered into in the ordinary course of business) have been entered into during the two years preceding the date of this Offer for Sale and are or may be material:-

(i) Dated 7th October 1971 between Mr. Martin Ford, Mr. Harold Ford, Mr. Michael D. Ford, Mr. A. Kramer and Mr. L. P. Herman, and Mr. Martin Ford and Mrs. Helen Ford (1) and the Company (2), being the contract for the acquisition by the Company of the whole of the issued share capital of Industries with effect from 1st December 1970 in consideration of the issue to them of a total of 7,000 Ordinary shares of £1 each of the Company credited as fully paid;

(2) Dated 14th October 1971 between certain shareholders of the Company, named below, (1) Mr. Michael D. Ford (2) the Company (3) and Singer & Friedlander Limited (4), whereby Singer & Friedlander Limited agreed to purchase from these shareholders 3,700,000 Ordinary shares of 10p each of the Company and to offer the said shares for sale pursuant to this Offer for Sale; the shareholders concerned and the number of Ordinary shares sold by them respectively were: Mr. Martin Ford (500,000), Mr. Harold Ford (771,520), Mrs. Helen Ford

## F.T. SHARE INFORMATION SERVICE

### HOTELS AND CATERERS—Continued

[illegible][illegible][illegible][illegible][illegible]

Aug. 1	Wares W. P. (10)	37	77	280	3.5	5.8	7.3	Wes. Peop., Kansas	1915	23.4	26	2.7	3.0
Aug. 2	Do. (10)	37	77	280	3.5	5.8	7.3	Do. (10)	1915	23.4	26	2.7	3.0
Aug. 3	Westland (10)	38	78	285	1.8	6.7	8.7	Jan. July Central Miss	1901	15.8	17.7	2.3	3.0
Aug. 4	May West Group	61	2	82	1.4	8.0	11.0	Aug. Central Sherwood	1915	15.8	16	2.3	3.0
Aug. 5	Do. (10)	61	2	82	1.4	8.0	11.0	Do. (10)	1915	15.8	16	2.3	3.0
Aug. 6	W. West. B. (10)	43	12	18	8.2	5.8	5.8	Aug. 6	1915	15.8	16	2.3	3.0
Aug. 7	Weymouth Eng	66	8	86	8.6	6.6	6.6	Aug. 7	1915	15.8	16	2.3	3.0
Aug. 8	Do. (10)	66	8	86	8.6	6.6	6.6	Aug. 8	1915	15.8	16	2.3	3.0
Aug. 9	Whitehouse 10	121	10	171	1.4	14.0	4.1	Aug. 9	1915	15.8	16	2.3	3.0
Aug. 10	Do. (10)	121	10	171	1.4	14.0	4.1	Aug. 10	1915	15.8	16	2.3	3.0
Aug. 11	W. Williams W. (10)	40	28	40	5.1	5.1	5.1	Aug. 11	1915	15.8	16	2.3	3.0
Aug. 12	Do. (10)	40	28	40	5.1	5.1	5.1	Aug. 12	1915	15.8	16	2.3	3.0
Aug. 13	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 13	1915	15.8	16	2.3	3.0
Aug. 14	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 14	1915	15.8	16	2.3	3.0
Aug. 15	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 15	1915	15.8	16	2.3	3.0
Aug. 16	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 16	1915	15.8	16	2.3	3.0
Aug. 17	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 17	1915	15.8	16	2.3	3.0
Aug. 18	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 18	1915	15.8	16	2.3	3.0
Aug. 19	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 19	1915	15.8	16	2.3	3.0
Aug. 20	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 20	1915	15.8	16	2.3	3.0
Aug. 21	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 21	1915	15.8	16	2.3	3.0
Aug. 22	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 22	1915	15.8	16	2.3	3.0
Aug. 23	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 23	1915	15.8	16	2.3	3.0
Aug. 24	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 24	1915	15.8	16	2.3	3.0
Aug. 25	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 25	1915	15.8	16	2.3	3.0
Aug. 26	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 26	1915	15.8	16	2.3	3.0
Aug. 27	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 27	1915	15.8	16	2.3	3.0
Aug. 28	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 28	1915	15.8	16	2.3	3.0
Aug. 29	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 29	1915	15.8	16	2.3	3.0
Aug. 30	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 30	1915	15.8	16	2.3	3.0
Aug. 31	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 31	1915	15.8	16	2.3	3.0
Aug. 32	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 32	1915	15.8	16	2.3	3.0
Aug. 33	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 33	1915	15.8	16	2.3	3.0
Aug. 34	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 34	1915	15.8	16	2.3	3.0
Aug. 35	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 35	1915	15.8	16	2.3	3.0
Aug. 36	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 36	1915	15.8	16	2.3	3.0
Aug. 37	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 37	1915	15.8	16	2.3	3.0
Aug. 38	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 38	1915	15.8	16	2.3	3.0
Aug. 39	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 39	1915	15.8	16	2.3	3.0
Aug. 40	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 40	1915	15.8	16	2.3	3.0
Aug. 41	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 41	1915	15.8	16	2.3	3.0
Aug. 42	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 42	1915	15.8	16	2.3	3.0
Aug. 43	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 43	1915	15.8	16	2.3	3.0
Aug. 44	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 44	1915	15.8	16	2.3	3.0
Aug. 45	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 45	1915	15.8	16	2.3	3.0
Aug. 46	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 46	1915	15.8	16	2.3	3.0
Aug. 47	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 47	1915	15.8	16	2.3	3.0
Aug. 48	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 48	1915	15.8	16	2.3	3.0
Aug. 49	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 49	1915	15.8	16	2.3	3.0
Aug. 50	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 50	1915	15.8	16	2.3	3.0
Aug. 51	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 51	1915	15.8	16	2.3	3.0
Aug. 52	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 52	1915	15.8	16	2.3	3.0
Aug. 53	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 53	1915	15.8	16	2.3	3.0
Aug. 54	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 54	1915	15.8	16	2.3	3.0
Aug. 55	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 55	1915	15.8	16	2.3	3.0
Aug. 56	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 56	1915	15.8	16	2.3	3.0
Aug. 57	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 57	1915	15.8	16	2.3	3.0
Aug. 58	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 58	1915	15.8	16	2.3	3.0
Aug. 59	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 59	1915	15.8	16	2.3	3.0
Aug. 60	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 60	1915	15.8	16	2.3	3.0
Aug. 61	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 61	1915	15.8	16	2.3	3.0
Aug. 62	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 62	1915	15.8	16	2.3	3.0
Aug. 63	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 63	1915	15.8	16	2.3	3.0
Aug. 64	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 64	1915	15.8	16	2.3	3.0
Aug. 65	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 65	1915	15.8	16	2.3	3.0
Aug. 66	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 66	1915	15.8	16	2.3	3.0
Aug. 67	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 67	1915	15.8	16	2.3	3.0
Aug. 68	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 68	1915	15.8	16	2.3	3.0
Aug. 69	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 69	1915	15.8	16	2.3	3.0
Aug. 70	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 70	1915	15.8	16	2.3	3.0
Aug. 71	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 71	1915	15.8	16	2.3	3.0
Aug. 72	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 72	1915	15.8	16	2.3	3.0
Aug. 73	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 73	1915	15.8	16	2.3	3.0
Aug. 74	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 74	1915	15.8	16	2.3	3.0
Aug. 75	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 75	1915	15.8	16	2.3	3.0
Aug. 76	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 76	1915	15.8	16	2.3	3.0
Aug. 77	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 77	1915	15.8	16	2.3	3.0
Aug. 78	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 78	1915	15.8	16	2.3	3.0
Aug. 79	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 79	1915	15.8	16	2.3	3.0
Aug. 80	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 80	1915	15.8	16	2.3	3.0
Aug. 81	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 81	1915	15.8	16	2.3	3.0
Aug. 82	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 82	1915	15.8	16	2.3	3.0
Aug. 83	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 83	1915	15.8	16	2.3	3.0
Aug. 84	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 84	1915	15.8	16	2.3	3.0
Aug. 85	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 85	1915	15.8	16	2.3	3.0
Aug. 86	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 86	1915	15.8	16	2.3	3.0
Aug. 87	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 87	1915	15.8	16	2.3	3.0
Aug. 88	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 88	1915	15.8	16	2.3	3.0
Aug. 89	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 89	1915	15.8	16	2.3	3.0
Aug. 90	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 90	1915	15.8	16	2.3	3.0
Aug. 91	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 91	1915	15.8	16	2.3	3.0
Aug. 92	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 92	1915	15.8	16	2.3	3.0
Aug. 93	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 93	1915	15.8	16	2.3	3.0
Aug. 94	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 94	1915	15.8	16	2.3	3.0
Aug. 95	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 95	1915	15.8	16	2.3	3.0
Aug. 96	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 96	1915	15.8	16	2.3	3.0
Aug. 97	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 97	1915	15.8	16	2.3	3.0
Aug. 98	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 98	1915	15.8	16	2.3	3.0
Aug. 99	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 99	1915	15.8	16	2.3	3.0
Aug. 100	W. Williams W. (10)	28	40	28	5.1	5.1	5.1	Aug. 100	1915	15.8	16	2.3	3.0

FOOD, GROCERIES, ETC.

[illegible][illegible][illegible][illegible][illegible]

[illegible]

